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Yeltsin Endorses Strategic Policy Toward CIS States

LD1609161995 Moscow INTERFAX in English 1613 GMT 16 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 16 (Interfax) — Russian President Boris Yeltsin has endorsed the country's strategic policy towards other CIS states saying its main aim is to set up an economically and political integrated entity capable of claiming a dignified place in the world community.

The paper says the new CIS policy must not be pursued to the detriment of Russian interests while any differences between partners should resolved by compromise.

The main priorities of Russia's CIS policy are as follows:

- ensuring overall stability in political, military, economic, humanitarian and legal areas.
- helping towards the making of other CIS countries as politically and economically stable states which will pursue friendly policies towards Russia.
- consolidating Russia as a leading force in forging a new system of political and economic relations throughout the former Soviet Union.
- building up the process of CIS integration.

Economically, one of the ways of beefing the CIS is a gradual enlargement of the customs union of states linked with Russia by dint of integrated economy and strategic political partnership.

Normalization of settlements is seen as a crucial condition for an improved CIS cooperation. In this connection, it is envisaged that more efforts must be taken to form a payment union including the establishment of common rules for the arrangement of CIS currency markets, the application of exchange rates and achievement of currencies' convertibility with the Russian ruble being used as a reserve currency as a longer range prospect.

The new policy is aimed at creating a collective security system based on the collective security treaty of May 15, 1992 and bilateral relations between CIS states.

It also provides for consistent work on a better mechanism of implementing earlier CIS defense agreements and preservation of military infrastructures on the basis of mutual agreement. In the event of agreement, the sides can shift to the principle of army bases but the status of Russian army bases as well as Russian servicemen and their dependants deployed in those states must be clearly defined. These issues must be solved in line with the existing military and political situation in each CIS state.

Russia will seek to get other CIS states to comply with the obligation to refrain from joining any alliances or blocs spearheaded against any one of those states.

In Moscow's view, adequate protection of the CIS borders which is their common cause and to be implemented together is in Russia's and CIS interests.

The paper says peacekeeping operations aimed at settling or preventing conflicts in CIS states mainly by peaceful political or diplomatic means is an important part of efforts aimed at ensuring CIS stability.

In this connection, it is envisaged to promote cooperation between CIS security services with an aim of preventing the use of CIS territories by their counterparts from third countries with aims hostile to Russia.

Moscow is entitled to use the leverage of financial, economic, military, political or any other form of cooperation with any CIS state violating the rights of the Russian community there.

The new policy provides for consistently leading Moscow's CIS partners for working out common positions on international issues and coordinating effort in the world arena. Concerted effort must be taken to try to assert the CIS as an influential regional organization which can enter into sweeping cooperation with leading international forums and organizations.

It is envisaged that focus must be made on a coordinated CIS position in the UN and OSCE as well as coordinated approach to relations with NATO, the European Union and the Council of Europe.

Officials React to Military Bloc Idea

MM1809084095 Moscow IZVESTIYA in Russian 16 Sep 95 p 3

[Unattributed Report "received via INTERFAX Channels:" "Only Lukashenka Prepared To Form Bloc"]

[FBIS Translated Text] Before his departure on vacation Boris Yeltsin stated that in the event of NATO's eastward expansion Russia "will immediately enter into constructive ties with all the republics of the former Union and a new military bloc will be formed." As the president stressed, "this is a restoration of what used to exist," in other words, the Warsaw Pact. In connection with this statement commentaries have been received via INTERFAX channels from top officials in some republics of the former USSR.

Alyaksandr Lukashenka, president of Belarus: "No matter how much we demand an end to the bombing of the Slavs in the Balkans, these demands will remain mere words and statements unless concrete measures are taken within the boundaries of the former USSR to maintain stability. The best option would be to create a single military-political bloc of the CIS countries."

Hennadiy Udovenko, Ukrainian foreign minister: "According to the Declaration on Sovereignty and the country's Constitution Ukraine is a non-bloc state. In Brussels Kiev will put forward an individual program for partnership with NATO using the 16 + 1 formula. However, NATO's expansion could mean that we will find ourselves between two blocs in the role of a 'buffer' state. This is a painful question for Ukraine."

Mikhail Popov, Moldovan foreign minister: "Moldova does not intend to join NATO, any military blocs of the CIS countries, or any other similar organizations."

Boris Shikhmuradov, foreign minister and vice premier of Turkmenistan: "Turkmenistan cannot be a member of any military bloc or 'rigid' union."

Albinas Januska, Lithuanian deputy foreign minister: "There can be no question of Lithuania's participation in military blocs as the Russian president is talking about. That step would be contrary to the interests of the vast majority of the republic's inhabitants as well as the constitutional act 'On the Non-inclusion of the Lithuanian Republic in Post-Soviet Eastern Alliances.' The harsh comments contained in B. Yeltsin's words merely intensify our alarm and confirm the urgent need to integrate in European collective security structures."

Rikhards Mutsinsh [name as transliterated], Latvian Foreign Ministry press secretary: "Latvia's foreign policy concept, which was confirmed in the spring this year, does not envisage the country's entry into political and military blocs with Russia and other CIS states."

Raul Myalik [name as transliterated], vice chancellor of the Estonian Foreign Ministry: "Estonia never legally joined the USSR so that President Boris Yeltsin's idea does not apply to us."

ITAR-TASS Carries Press Review for 16 Sep

LD1609072095 Moscow ITAR-TASS in English
0452 GMT 16 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, September 16 (Itar-Tass) — Russian newspapers concentrate, as before, on NATO air raids on Serb positions in former Yugoslavia. In this connection, the IZVESTIYA newspaper raises the following question: Has U.S. Deputy Secretary of State Talbott succeeded in bridging the gaps in Russian-American relations, which developed after Moscow's unprecedentedly tough response to air strikes on Serb positions around Sarajevo?

The daily writes that Clinton's envoy tried to do his best to pacify Russian counterparts over the three hours of talks with Russian Foreign Minister Andrey Kozyrev.

Periodicals carry more articles on the election campaign as the polls to the Russian parliament lower house are coming closer. Lieutenant-General Lev Rokhlin who became known nation-wide in connection with the Chechen events, shares his opinion on election platforms of various parties in the RABOCHAYA TRIBUNA newspaper.

He opposes parties which advocate nationalism.

IZVESTIYA continues its new heading "Elections-95: portrait of contender", which was launched a week ago, with an article on the "Congress of Russian communities" movement. The article is entitled "Nomenclature patriotism under the guidance of Lebed" (Eds: General Lebed sky-rocketed to national notoriety by his criticism of President Boris Yeltsin and cabinet members, especially Defence Minister Pavel Grachev).

On the other hand, Russian Communist Party leader Gennadiy Zyuganov avoided politics and the elections (due to unknown reasons) in an interview with the SOVETSKAYA ROSSIYA newspaper. The daily did not ask him a single question on politics: mostly about stars, love and other every-day matters.

An interesting situation has developed at the Federation Council (Russian parliament upper chamber) on the eve of elections to the State Duma (lower house): its members do not know up to this time what the upper chamber will be like after the December 17 polls to the State Duma.

The law on elections to the Duma was approved by the legislative and executive arms of government, but there is no law on forming the upper chamber. Federation Council speaker Vladimir Shumeyko comments on the present situation in the ROSSIYSKAYA GAZETA newspaper.

Of course, newspapers write today not only about elections, Bosnia and Chechnya.

The KOMSOMOLSKAYA PRAVDA newspaper carries an article describing a tragedy which happened in the Brest region of Belarus where the air defence forces down a civil air balloon. As a result, two American nationals died. The daily gives new particulars of the tragedy.

ROSSIYSKAYA GAZETA front-pages a material on a decision of the Russian government rendering assistance to the Kamchatka region in organising a seismological service.

The government appropriated 36 billion roubles for this purpose. The article is entitled "Kamchatka is often rocked".

The ROSSIYSKIE VESTI runs an article entitled "Government sells block of shares". The Russian government does not intend to sell all state property without any choice.

It now completes a list of factories which are necessary to maintain national security, which will remain state property in future too, writes acting chairman of the Russian State Property Committee Alfred Kokh.

RABOCHAYA TRIBUNA front-pages an article describing the construction of one of the longest and difficult-for-building gas pipelines between the Yamal Peninsula and Europe. It will be necessary to build 35 compressor stations and a system of underground gas storages on the long route across Russia, Belarus and Poland.

The daily also features an interview with Abkhazian leader Vladislav Ardzinba. The republic will celebrate, at the end of September, the second anniversary since the end of the war with Georgia. The interview describes the present state of affairs in the republic.

In an article entitled "Power engineers now may switch off anybody", RABOCHAYA TRIBUNA comments on the governmental decision "Some measures to stabilise charges for electricity", giving a right to the Russian United Power Grid joint stock society to switch off electricity from even "unswitchable" (from a special list) enterprises, the number of which was drastically cut by the same decision.

The decision was prompted by the crisis of non-payments. However, now that the United Power Grid society has unlimited powers, the newspaper writes, the crisis will deteriorate even more, since debtors have not got any more money.

Talbott, Kozyrev Talks Focus on Bosnia, Relations

Discuss Holbrooke Plan

MK1509133295 Moscow SEGODNYA in Russian 15 Sep 95 p 1

[Report by Vladimir Abarinov: "The NATO Operation in Bosnia Has Been Suspended. Boris Yeltsin Has Turned Down Sanctions Bills"]

[FBIS Translated Excerpt] Yesterday Boris Yeltsin refused to sign laws adopted by the State Duma on 9 September on Russia's unilateral withdrawal from the regime of international sanctions against the Federal Republic of Yugoslavia and on the introduction of sanctions against Croatia. According to the presidential press service, in a letter to Ivan Rybkin, Yeltsin said that the text of the bills contains "a number of contradictions to the norms of international law and Russian Federation legislation." Thereby the question of possible Russian arms deliveries to the Serbs has been exhausted. Yeltsin himself hinted at such a possibility a week ago. The president must be given his due: In the context of an anti-Western, anti-U.S. psychosis, he has made a responsible political decision.

Meanwhile major changes have occurred in the Yugoslav peace settlement. Richard Holbrooke, assistant to the U.S. secretary of state, as a result of arduous talks in Belgrade, has gotten the Bosnian Serbs to agree to withdraw heavy artillery from Sarajevo. Under an agreement that is expected to be signed on 25 September, NATO troops will replace UN forces in Bosnia within six months, while the Russian contingent will take up positions in the 20-km "safety zone" around the Bosnian capital. Within another year all international forces are to leave Bosnia: only 12,000 observers will be left there. [passage omitted]

Yesterday's visit to Moscow by Strobe Talbott, U.S. deputy secretary of state, passed in an atmosphere of utmost confidentiality. After the attack on the U.S. Embassy, you can well understand the Americans. Washington is now concerned not just about Russia's position in the Balkans crisis, but about a wave of anti-American sentiments that has overwhelmed Russian politicians. The official handout on the talks is couched in extremely cautious terms, but there can be no guesswork as to what Talbott and Kozyrev talked about: Quite evidently they discussed the details of Holbrooke's plan. After seeing Talbott off, Andrey Kozyrev phoned Boris Yeltsin and briefed him on the results.

Talbott Stresses Coordinating Efforts

LD1509115995 Moscow ITAR-TASS World Service in Russian 1108 GMT 15 Sep 95

[FBIS Translated Text] Moscow, 15 Sep (ITAR-TASS) — The future of a peace settlement in Bosnia at present seems more hopeful than they have been for a long time. Both Russia and the United States are coordinating their efforts in search of peace, Strobe Talbott, first assistant U.S. secretary of state, told a group of journalists today at the airport before leaving Moscow. He arrived in the Russian capital on Thursday at the instruction of the U.S. President Bill Clinton and held talks with Russian Foreign Minister Andrey Kozyrev.

"We have all grounds to be slightly more optimistic now than for a long time in the past, although, as before, we have a lot of difficult work in store for us," Talbott said. "The Russian Federation is using its influence on the sides in the region trying to return them to the negotiations' table. We are trying to do the same," he noted.

Talbott Seeks To 'Reassure' on Ties

MM1509150095 Moscow IZVESTIYA in Russian 16 Sep 95 p 1

[Report by Leonid Mlechin: "Russian and U.S. Diplomats Count Mutual Losses After the Bombings in Bosnia and the Salvo in Moscow"]

[FBIS Translated Text] Has U.S. Deputy Secretary of State Strobe Talbott succeeded in plugging the breaches in Russian-American relations that developed after Moscow's unprecedentedly fierce reaction to the NATO bombing of Serbian positions around Sarajevo?

The visit to Moscow by Talbott, regarded as Clinton's friend since student days, began with a visit to the room at the embassy that was hit by a grenade Wednesday. Talbott was told that the damage was not very great because of the metal-reinforced thick concrete wall, and that everyone had left the room a few minutes before the shot was fired, so that nobody was injured. The embassy suffered only material losses: Burning phosphorus damaged some of the equipment.

If additional security measures have been taken at the embassy, they are imperceptible. The diplomats have not taken refuge in bunkers and windowless rooms. The embassy is still reminiscent, in terms of its vitality, of a good kolkhoz market, and the similarity is intensified by the sad spectacle of the new but still uninhabited embassy building. The Americans do not want to use this rather dirty, discolored brick building, although it is four years since Vadim Bakatin, briefly head of the

KGB, handed over to them the plan of the listening devices that had been installed in the building.

Talbott spent three hours talking with Russian Federation Foreign Minister Andrey Kozyrev, and tried, within the limits of his authority, to do everything possible. The deputy secretary of state tried to reassure his Russian colleagues and to establish the scale of the damage not only in the room hit by the grenade, but in the entire system of bilateral relations. As I understand it, preparations began for an October meeting between Boris Yeltsin and Bill Clinton, the precise date for which has not yet been set.

The Americans' public position is this: There has been no cooling of relations between Moscow and Washington. The disagreements are purely tactical in nature. All the problems are caused by misunderstandings and can be resolved. Moscow's sharp attacks on NATO, the United States, and the West in general are a normal part of the democratic process, in which everyone can say what he likes. The Americans understand Boris Yeltsin's difficulties in relations with deputies because Bill Clinton also has a hard time in the dialogue with the Congress, which is in opposition to him.

American and Russian diplomats are working hand in hand to resolve the Bosnia conflict. The Americans were unstinting with the compliments, appreciating the "significant, important" role of Moscow, which has first and foremost used its influence on the Serbs to overcome the deadlock. The U.S. diplomats in Moscow have been persistently explaining to journalists what a pleasure it is for them to cooperate with their Russian colleagues and how useful and effective this cooperation is....

U.S. Deputy Secretary of State Strobe Talbott was injured and saddened to read in IZVESTIYA (No. 73/1995) that as someone who enjoys the reputation of a "Yeltsinist" in Washington he is reproached for having the wrong policy toward Russia.

Talbott, a professional journalist who can be cheerful and quick-witted, suddenly launched into a long and serious tirade to the effect that although he, like anyone else, can make mistakes, the fundamental U.S. line in relation to events in Russia was absolutely correct. The unusual seriousness of these words from Talbott, who was once the translator of Nikita Khrushchev's memoirs and has written several books on U.S.-Soviet relations, is evidence that in fact the two countries are faced with the need to formulate anew their policy toward each other. But neither Moscow nor Washington, apparently, is prepared to do so.

Kozyrev Upbeat After Meeting

LD1509135795 Moscow ITAR-TASS World Service in Russian 1323 GMT 15 Sep 95

[FBIS Translated Text] Moscow, 15 Sep (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev said today that at the meeting with Strobe Talbott they "succeeded in finding the road that may lead to the unblocking" of the situation in the former Yugoslavia. Commenting at a news conference in Moscow on the results of his three-hour meeting with the first assistant U.S. secretary of state, he said that this search of ways toward a political settlement was undertaken "at the instruction of Presidents Boris Yeltsin and Bill Clinton."

The NATO air campaign "has been suspended," the minister said, expressing hope that the air attacks "will be reduced to zero and stopped altogether, and gradually it will be possible to unblock the situation both around Sarajevo and in Bosnia on the whole."

U.S. Embassy Attack Called 'Highly Professional'

MK1509133395 Moscow SEGODNYA in Russian 15 Sep 95 p 1

[Report by Yuriy Abakumov: "The Bloodhounds Proved Helpless. Investigation Into the Case of the U.S. Embassy Attack Started With Conflicts Between Special Services"]

[FBIS Translated Text] Russian law-enforcement agencies continue to investigate the incident at the U.S. Embassy in Moscow. As is known, on Wednesday [13 September], at about 1600, an unknown person fired a grenade launcher at the front of the embassy. Attempts to trace and arrest the gunman "while the scent was hot" failed. Law-enforcement agencies, however, managed to create an identi-kit picture of the criminal based on scanty eyewitness testimony. Yesterday, it was broadcast on television. This notwithstanding, yesterday evening your SEGODNYA correspondent learned from sources close to law enforcement agencies that the identi-kit picture shown does not correspond to the actual description of the criminal. At present, the operational headquarters is busy looking not only for the shooter of the grenade, but also for the person who provided the mass media with an incorrect picture of the terrorist.

Meanwhile, Richard Hoagland, a U.S. Embassy official, told journalists: "We are not going to make any guesses as to why this happened or who is to blame." At the same time, in unofficial conversations, embassy staffers do not rule out that the incident could be linked with the stance taken by the United States in the Bosnia conflict. However, they do not exclude other versions, too, such as that the firing could have been done by ultra-nationalists, Islamists, or "refuseniks" offended by the U.S. Consulate.

A preliminary analysis of the incident shows that the firing was highly professional and brings the lonely maniac version virtually to naught. This is further supported by the fact that, when firing, the gunman used a cloth mask with eye slits, which he removed and threw away as soon as he had left the area that can be covered by the television cameras that this part of the city is virtually swarming with. It is noteworthy that information on the extensive use of bloodhounds in the investigation was not confirmed, either. A law-enforcement source, who chose to remain anonymous, told your SEGODNYA correspondent that three dogs "refused to work." This means that the criminal's soles could have been coated with a special substance that puts even police dogs off the scent.

After yesterday's incident, Russian authorities are taking additional measures to ensure security of the U.S. Embassy in Moscow and consulates in other Russian cities. In St. Petersburg, emergency measures have been taken to improve protection of all diplomatic missions in the city. According to St. Petersburg's Main Directorate for Internal Affairs, the number of militia workers protecting the U.S. Consulate has been increased by a factor of five. Not only the front, but also the back yard of the building is being guarded around the clock.

On the whole, the conclusion can be drawn that law-enforcement agencies' chances of finding the evildoer are low. Those involved in the investigation seem to be clearly striving to pass the U.S. Embassy attack case over to their colleagues. Naturally, on the eve of the elections, few leaders want their agency to be responsible for investigating such a hopeless case. The FSB has taken a number of steps that enabled it to stay away from the criminal proceedings in this case, originally initiated by the Krasnopresnenskaya Interdistrict Prosecutor's Office. According to some information, the General Prosecutor's Office would not mind having this terrorism case reclassified as yet another case of malicious hooliganism....

U.S. Reacts 'Without Hysteria'

MM1809102395 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Sep 95 p 3

[Report by correspondent Sergey Ivanov: "Washington's Anger over Hot-Air Balloon"]

[FBIS Translated Text] New York — People are not burning Russian and Belarusian flags in the United States. Basically, the Americans have treated the tragic incidents which occurred on Moscow's Tchaikovsky Street and in the sky above the Belarusian village of Bereza without hysteria. Even the statements by U.S. officials concerning the events contain attempts to find a logical basis for the events in addition to condemnation.

Two hypotheses concerning the explosion in Moscow were articulated here a few hours after the event. One version is already known and is connected with the situation surrounding Bosnia. The plan to construct an oil pipeline from the Central Asian republics to the West bypassing Russian territory was, no matter how improbable it may seem, cited as the second at a briefing.

State Department Spokesman Nicholas Burns has stated: "We hope for broad cooperation with the Russian authorities to guarantee the safety of American citizens in Russia." The State Department has said nothing about any extra precautionary measures to ensure the safety of American tourists in Russia.

"Every country has its madmen" is how the reaction of the ordinary American citizen to the incident in Moscow may be summed up in general terms. As far as the Belarusian tragedy is concerned, however, the possibility of a combat helicopter firing at hot-air balloons has not yet been taken in by the average American. Minsk's silence regarding the "air victory," which has now lasted more than 24 hours, fails to meet with any understanding in official Washington.

'Patriotically Minded' Officers Claim Bomb

MM1509165595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Sep 95 p 1

[Report by Sergey Chernykh and Aleksey Sinelnikov: "Who Bombed the U.S. Embassy?"]

[FBIS Translated Text]**The Reaction**

A meeting of journalists with a high-ranking representative of the Washington administration took place yesterday at the U.S. Embassy, in a room with blinds wide open and a fine view of the Moscow roadway.

"This testifies to the transparency of our relations," a diplomat stated with a smile. "But seriously, Washington has no doubt that this was a terrorist act. The shell went through a reinforced wall 15 inches thick and put some office equipment completely out of action. Embassy staffers had left the room only five minutes before the shot. It's a miracle no one was hurt."

A Provocation?

At 0902 Moscow time yesterday, the telephone rang in the KOMSOMOLSKAYA PRAVDA editorial office.

An unknown man who refused to introduce himself hastily read out the following text:

"The act committed on 13 September of the year nineteen hundred and ninety-five was carried out as a protest against the bombing of cities and villages in Bosnia. We, representatives of patriotically minded Russian officers, demand that the U.S. Government immediately stop the genocide against the Serbian population in Bosnia...."

The Story

Two people took part in the shelling of the American Embassy in Moscow — one did the shooting, the other waited for him in a foreign-made car with tinted windows, in which both of them fled, ITAR-TASS has reported.

It has become known that neither the Moscow police nor the state security organs will be involved in investigating the incident. That honor has been given wholly to the Krasnaya Presnya Prosecutor's Office, which has already opened a criminal case under Article 213 Section 3 (terrorism).

Caller Threatens Israelis

MK1609110395 Moscow SEGODNYA in Russian 16 Sep 95 p 1

[Report by Nikolay Gvozdev: "Those Who Wish To Take Upon Themselves Responsibility for the Attack on the U.S. Embassy Are Queuing Up"]

[FBIS Translated Text] Moscow law-enforcement agencies continue to investigate the recent attack on the U.S. Embassy building in Moscow. As SEGODNYA correspondents have learned, yesterday the criminal case initiated under Article 213, Part 2 of the Russian Criminal Code (terrorism) was transferred from the Krasnopresnenskiy Rayon Prosecutor's Office to the Central Okrug Prosecutor's Office.

Yesterday there were a number of telephone calls to editorial boards of various newspapers and to official institutions in Moscow: The calls were by people who wished to take upon themselves responsibility for the attack on the U.S. Embassy. According to competent sources, all versions put forward by the "terrorist" callers were linked with the situation in the former Yugoslavia and Lebanon, and with U.S. policy in these countries. An official conducting the investigation has refused to name the specific organizations and reasons for the Embassy attack given in the anonymous telephone calls.

SEGODNYA correspondents have learned of a call to the Russian Foreign Ministry. At 1450, an unknown person phoned the reference service of this agency and said that "the attack on the U.S. Embassy is linked with Lebanon, and the Israeli Embassy will come next." Your SEGODNYA correspondent turned to Yakov Livne [name as transliterated], press secretary of the [Israeli] Embassy, for comment, but the latter said that he had not heard of such a call. According to Mr. Livne, the Russian Foreign Ministry has not warned Israeli diplomats of the call. This notwithstanding, an investigation official said that all telephone messages are being studied carefully.

Protest Outside U.S. Embassy Over 'Genocide' of Serbs

LD1709140495 Moscow 2x2 Television in Russian 1300 GMT 17 Sep 95

[FBIS Translated Text] A demonstration in support of the Bosnian Serbs and against the bombing of Serbian positions by NATO aircraft took place outside the U.S. Embassy today. Representatives of the Working Russia movement, Russian-Serbian-Orthodox Brotherhood, and other national-patriotic organizations addressed the demonstration. The speakers said that the result of the missile bombing called into question the survival of the Bosnian Serbs who are threatened by genocide. The demonstrators condemned the actions of the Governments of Croatia and the United States in annihilating Serbs driven out of Serbian Krajina and called on the Russian leadership to help their Serbian brothers and also for the dismissal of Foreign Minister Andrey Kozyrev. [video shows demonstration, with banners: "USA is imperial of evil," "Yankee, Serbian blood is on your hands," "USA and NATO are the executioners of the Bosnian Serbs," "USA — world aggressor! You should be bombed and not the Serbs!"]

Kozyrev Holds Press Conference on Balkan Situation

'Purely NATO Option' Undesirable

MK1609093495 Moscow SEGODNYA in Russian 16 Sep 95 p 1

[Report by Vladimir Abarinov: "Russia Will Not Break the World Legal Order First. Andrey Kozyrev Has Accused Duma Deputies of a 'Speculative Approach' to the Yugoslav Settlement"]

[FBIS Translated Text] The official proposals to replace the UN contingent in Bosnia with NATO and Russian forces have not yet been heard in Moscow. This was announced yesterday by Russian Federation Foreign Minister Andrey Kozyrev at his press conference, responding to a question from your SEGODNYA correspondent. "The conversation did not proceed beyond some preliminary thoughts," the minister said.

At the same time he did not deny that the "process of joint thinking" in this direction is moving forward. As progress is achieved in ensuring security in Sarajevo and Bosnia, Kozyrev noted, a general need arises for some mechanisms that will ensure the opening of humanitarian corridors, a reciprocal pullout of weapons, and the protection of civilians. What international mechanisms and what international forces are in a position to guarantee implementation of these agreements — this is now being discussed in the course of consultations between the countries concerned. According to the minister, various options are being considered in the process of consultations: "to leave everything to NATO, to leave everything to the UN, or to form multinational forces," as in other instances, but such forces whose composition would be acceptable to the opposing sides. For Russia, "a purely NATO option would be undesirable," Kozyrev stressed. Russia, he said, regards its participation in oversight mechanisms as natural. The minister deemed premature comments on this subject before a political decision is made, but admitted that "such work is now under way."

Andrey Kozyrev positively assessed the Serbs' agreement to pull out heavy weapons from the Bosnian capital. "I think that we are seeing quite a realistic chance to unblock Sarajevo and reach agreement on a cease-fire," he stated, also noting that security guarantees should also be given to Bosnia's Serb population.

The minister welcomed the president's decision to reject laws on the unilateral lifting of sanctions against the Serbs and on the introduction of unilateral sanctions against Croatia. "We shall not be the first to violate the world legal order," he promised. Russia does not like the sanctions but is acting in a civilized manner, Kozyrev said. By invoking his power of veto the president has fulfilled his constitutional duty, the minister concluded.

Andrey Kozyrev drew journalists' attention to the constructive position of the Serbian side, which did not interrupt the peace negotiations in spite of the massive air strikes. He contrasted this position with the position of Russian lawmakers who "invite us to be holier than the Pope" and to "enter a general confrontation." The Duma, the minister said, is swayed by a "speculative approach" to the Yugoslav settlement. He is sure that parliamentarians who went to the former Yugoslavia "will not make any positive contribution, of course."

Progress Achieved Despite Air Strikes

LD1509222495 Moscow INTERFAX in English 1907 GMT 15 Sep 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Sept 15 (Interfax) — Russian Foreign Minister Andrey Kozyrev told a news conference in Moscow Friday that the NATO strikes on the positions of Bosnian Serbs could only affect the search for ways to a political settlement.

Kozyrev said Russia supported their "immediate end."

"If the NATO strikes do not affect the search for ways of political settlement, this will be the best to hope for. Nothing else can be achieved with their help," he said.

Nevertheless, Kozyrev said that despite the continuing air strikes by NATO some progress had been achieved as far as political settlement of the crisis in the Balkans is concerned.

Kozyrev said that during his meeting with U.S. first Assistant State Secretary Strobe Talbott the parties had managed to "embark on the way which may" improve the situation in the region.

Kozyrev repeated that NATO's air strikes had been suspended. He said he hoped they would soon be fully stopped.

Commenting on the presidential veto on the laws on unilateral lifting the U.N. sanctions against Yugoslavia and on measures to prevent genocide of the Serb people in Croatia, Kozyrev supposed that this step was not connected with the visit of U.S. deputy Secretary of State Strobe Talbott.

"It seems to me that the matter is Russia's reluctance to be the first to violate the U.N. decision," he added.

"We do not like the sanctions, but, regardless from this, we will not act like savages," Kozyrev added.

With regards to the proposal that NATO take control of all troops in the Balkans, Kozyrev said this was only one of the options which were currently being discussed.

"There are also options under which troops in Bosnia must be subordinated only to the U.N. some parties propose that international forces be created which would not belong either to NATO or to the U.N. and would be made up of servicemen from the countries which are able to send their troops there and whose presence might be accepted by the conflicting parties," Kozyrev said.

Kozyrev said he did not approve of the "merely NATO's option" very much.

Kozyrev said Russian troops might make a very important contribution to settlement of the conflict in the Balkans. He stressed that this was his personal opinion. He added that it was too early yet to discuss Russian troops' possible role in settlement of the Balkan conflict.

Kozyrev said military experts should firstly make known their conclusions on the issue "because they will have to bear the burden regarding settlement of this problem." "Later, our proposals should be submitted for approval by the president and only after than may we discuss Russia's position," he said.

Kozyrev admitted that Russia "has certain influence on the Serb side."

At the same time, he said he hoped that "the Russian parliamentarians will spoil nothing" in former Yugoslavia where they had left for recently. "They will certainly bring about nothing positive. They can only spoil," Kozyrev said.

Kozyrev said the position of some political forces, especially in the State Duma, was "more than weird" because they proposed that Russia should nearly stop contacts with the West while the United Republic of Yugoslavia continued to develop contacts with the West in order to achieve settlement of the conflict in the former Yugoslavia.

"They want us to be more Catholic than the Pope of Rome. However, we remain calm and we intend to continue our participation in the peace settlement," he said.

Kozyrev said Moscow would continue to interact with the West "in the spirit of partnership which does not prevent us from launching serious debates on some issues but which also allows us to overcome crises rather than transform them into uncompromising and long-lasting confrontation. We've had enough of that."

Kozyrev said he was against drawing parallels between the West's approaches to Bosnia and Russia's approaches to Chechnya.

"These things are totally different. Every comparison will be false," he said.

Kozyrev said "Chechnya is Russia's domestic affair" and Moscow "is resolving the problem independently." "The scope of the international community's participation" in settlement of the situation in Chechnya "is very limited," he said. "This is not a peacekeeping mission but just assistance with settlement of some problems which definitely go beyond the state borders, in particular human rights," he said. "The situation in Bosnia is an internationally-recognized crisis which requires the international community's direct participation in settlement" of the conflict, Kozyrev said.

Ivanov: Accord To End NATO Raids Mostly Due to Russia

LD1609132895 Moscow ITAR-TASS in English 1310 GMT 16 Sep 95

[By Konstantin Pribytkov]

[FBIS Transcribed Text] GENEVA, September 16 (Itar-Tass) — An agreement providing for an end to NATO air strikes and withdrawal of heavy weapons by Bosnian Serbs from Sarajevo was achieved "largely thanks to Russia's ef[illegible], Russian First Deputy Foreign Minister Igor Ivanov said in an interview with Itar-Tass here on Saturday.

Specific conditions of understandings regarded in the world as an important step towards a complete settlement of the conflict, were hammered out as a result of "shuttle diplomacy" by American envoy Richard Holbrooke.

He met the leaders of Serbia, Croatia, of the Bosnian government and Bosnian Serbs during his tour of the region over the last few days.

The positive swing became possible thanks to efforts of Moscow which did not stop severely criticising the NATO air raids on Bosnian Serbs. For instance, this was the topic of talks held by Ivanov with Serbian President Slobodan Milosevic on September 9.

"Our trip to Belgrade was mostly aimed at stopping NATO air strikes," the Russian diplomat said. "This was a part of Russia's efforts on a larger scale at a political level and in diplomacy. It is worthy of pointing, above all, to the Russian president's statement on this issue and numerous contacts by the foreign minister.

"Holbrooke's mission is a concrete practical result of this work done by Russia," Ivanov continued. "This is a practical reply to sceptic statements that Russia's voice is not heeded."

Ivanov noted that Holbrooke, while in Belgrade, held meetings with Serbian President Slobodan Milosevic and representatives from Bosnian Serbs — Radovan Karadzic, Ratko Mladic and Momcilo Kraisnik.

The document they signed, provides for a six-day deadline to fulfill reached understandings, including a pullout of heavy weapons, free passage of humanitarian convoys to Sarajevo and opening of the airport.

It is supposed that heavy weapons of government troops will go under control of the U.N. force. Provision is also made for the start of talks between commanders of the three sides on ending hostilities both in the Sarajevo zone and throughout Bosnia.

The Russian diplomat stressed that "the document contains no understandings that NATO and Russia will allegedly act as guarantors, as the press wrote". "This is not a subject for discussion at the Contact Group. This issue should be decided by the United Nations," he noted.

Daily Praises 'Resolute' Efforts

MM1809084795 Moscow ROSSIYSKIYE VESTI in Russian 16 Sep 95 Saturday Edition p 1

[Report by Yuriy Nikolayev: "Moscow's Diplomatic Activeness Made Breakthrough Possible in Bosnia Situation"]

[FBIS Translated Text] It seems there may be light at the end of the tunnel in the Bosnia conflict — hitherto, two processes had been running in parallel, as if not noticing each other. On the one hand, bombs and shells were raining down on the Bosnian Serbs. On the other — there were feverish meetings and consultations between diplomats and politicians trying to achieve a political solution to the problem. You got the impression that these two incompatible approaches would never intersect. The UN Security Council had clearly lost its image as a peacemaker.

In the past few days some light has started to break through this gloomy picture. UN Secretary General Butrus Butrus-Ghali and NATO Secretary General Willy Claes have called on "all the Bosnian sides" to immediately halt their offensives. At the same time, a pause has been declared — said to be for three days — in the bombing of Bosnian Serb positions.

All this has come about after persistent, resolute, and consistent efforts by Russia and other participants in the international talks. Without denying their contribution, it should be said nonetheless that it was Moscow's diplomatic activeness that played a considerable role in achieving this breakthrough in the course of events. Diplomatic sources in Geneva stress that the foundations for a positive development of the talks were laid by the meetings held over the past few days in part of the former Yugoslavia, Geneva, Moscow, and other places by Russian representatives.

Daily: U.S. Soothing Russia's 'Injured Self-Esteem'

MM1509184095 Moscow IZVESTIYA in Russian 16 Sep 95 p 3

[Article by Stanislav Kondrashov: "When the Bombs and Emotions Quiet Down. The Bosnian Settlement Could Offer a 'Basic Model' for the Post-Soviet Area"]

[FBIS Translated Text] A grenade under the gate at the U.S. Embassy — that is, of course, going too far. But even at a less extravagant level Moscow and Washington, while continuing to regard each other as partners, are now speaking different political languages, and they put the emphasis in very different places as regards the acute Bosnia problem.

Moscow speaks harshly, but carries only a rhetorical big stick. Washington speaks softly, but, blithely ignoring Moscow's criticism, bombs the Bosnian Serbs' positions near Sarajevo and elsewhere as if there was nothing to it.

Yeltsin, before his vacation, threatens NATO with the formation, instead of the OVD [Warsaw Pact Organization] of USSR days, of an OMD, so to speak — a Moscow (or Minsk?) military-political bloc consisting of CIS members, Russia's answer to an overenthusiastic NATO. Although Lukashenka doffs his cap the following day, nobody in West or East takes the Russian president's threat seriously. Kuchma reaffirms Ukrainian neutrality, hinting at a possible inclination in the direction of NATO.

Clinton, however, on returning from his vacation (what bad timing!) insists that prospects of peace rather than war are opening up in Bosnia, since bombs are one thing, but now we also have the agreed principles of a Bosnian settlement, thanks to Clinton's envoy Holbrooke.

Such is the diversity of opinions and emphasis. It is pushed to record extremes by State Duma orators who see World War III on the horizon (whose war against whom, to make it a world war?!), and by their rivals in this field, the authors of Russian Government statements. They expose the "genocide" of the Serb people and promise to give Serbian children refuge at Russia's best health resorts, apparently crowding out the children from Chechnya and other Russian hot spots.

Behind all these heated emotions one can perceive not only the obvious electioneering hopes of Russian politicians, but also some simple truths which it is hard, but necessary, to swallow. First, about the Moscow Pact, instead of the Warsaw Pact: The clock cannot be turned back, even by those who, wittingly or unwittingly, started it on its present course. Second, the partnership with America appears equal only superficially; in essence it is a partnership between a senior and a junior partner. There is no need to explain which is which.

This is not, of course, gratifying to our self-esteem, but we must endure it and work with all our might for a long time, if we can, just as Germany and Japan have worked, to improve and strengthen our status in relations with America. After all, the position of junior partner was originally built in by the Russian leadership, since this partnership arose on the basis of the breakup of the USSR and, before that, the Warsaw Pact — while NATO continued to exist. Incidentally, the balance of forces was also disrupted in the United Nations, where Russia has practically no allies. NATO has established special relations with Secretary General Butrus-Ghali and his secretariat. Is that not proved by the secret "memorandum of understanding" that the Russian permanent representative to the United Nations now wants to read out?

At a crucial stage of the "Yugo-crisis," Moscow has the pangs of injured self-esteem, while Washington has the burden of world leadership, which, to the satisfaction of American observers, has finally crystallized firmly in relation to the trickiest of European issues.

The burden — and the restraint too; no sharp words against Moscow. On the contrary, every indication of attention and respect, a hasty mission by Deputy Secretary of State Strobe Talbott, and no salt rubbed into Moscow's wounds. But also, zero attention to verbal protests, and continued unprecedented military pressure on Karadzic and Mladic.

Among the indications of attention is Washington's positive response, in principle, to Yeltsin's proposal to hold a meeting of the "political group of eight" in Moscow, with the participation of the parties to the Bosnian conflict. This is regarded as a pretty good electioneering gift for the "party of power" in Russia and an indication of practical concern for the feelings and well-being of the junior partner.

As for those Muscovites in high-up posts who for some reason have never gotten over the superpower mentality and take personal offense at the disregard for their protests by Washington and all the rest of NATO, they are recommended to take some rather cynical advice from everyday experience. If you are being raped and you don't have the strength to escape, just relax, lie back and try to enjoy it.

Strange as it may seem, there is indeed something to enjoy; all you have to do is look through more sober eyes at the preliminary achievements in the sphere of a Bosnian settlement and try to apply them to the post-Soviet area.

For some reason, amid all the rhetoric we have overlooked the "agreed basic principles" approved last Friday by the foreign ministers of Bosnia, Serbia, and Croatia. They met in Geneva under the auspices of the international Contact Group with the participation of Russia. Incidentally, another meeting — this time on the premises of the Russian Mission in Geneva — is happening this Friday.

So, the agreed principles. First: Bosnia-Herzegovina will continue its lawful existence within the present borders. Second: Bosnia-Herzegovina will consist of two formations — the Federation of Bosnia-Herzegovina (that is, the Muslim and Croatian communities) and the Republika Srpska (the Serbian community). Each of the formations will have the right to establish "parallel special relations with neighboring countries" provided they are compatible with the sovereignty and territorial integrity of Bosnia- Herzegovina.

That is the substance of the compromise agreement that has been drawn up, which is to be fleshed out with agreed percentages on the territorial location of the said formations.

The compromise can be interpreted in two ways. On the one hand, Bosnia's integrity is proclaimed. On the other, the Muslims and Croats receive the legal right to "cling" to Croatia, and the Bosnian Serbs to Serbia. This last is the main point. This last eliminates the cause of bloody war.

While Moscow exposes the "genocide against the Serbs," THE NEW YORK TIMES writes in an editorial: "The agreement on the creation of a separate state for the Bosnian Serbs on Bosnian territory is an important step in the direction of the implementation of the long- standing international plan for the partition of Bosnia in the name of peace."

Pay careful attention: If we can avoid today's bombs and the four-year-long bloody nightmare, we are looking at a "basic model." It could be suitable not only for the post-Yugoslav area, but for the post-Soviet area, in tackling the increasingly acute problem of the Russian and Russian-speaking millions who have become the victims of the disintegration of the united fatherland.

In little Bosnia 4 million people have died and about 2 million have become "displaced persons," refugees. The 25 million Russian and Russian-speaking people who have ended up outside Russia represent megatons of ethnic dynamite. And they are already being "squeezed," subjected to covert and overt discrimination. From being potential refugees, they are becoming refugees. What will they be next?

So here, I repeat, is a "basic model," worked out with agonizing difficulty by the world community. The solution lies in ethnic formations with the right to special relations with neighboring kindred states — Serbia, Croatia.... Or Russia, if we are talking about the fate of Russians in Kazakhstan or Ukraine.

We need a great Russia, not great upheavals on its borders. Could the tragic experience of Bosnia and the emerging solution to it help us to avoid that?

NATO Seen Trying To Reassure Moscow on Expansion

MM1509125395 Moscow IZVESTIYA in Russian 15 Sep 95 p 4

[Article by Boris Lysenko prefaced by report by Nikolay Lashkevich: "Lithuania Firmly Intends to Join NATO. NATO Is Not Confident That It Will Find Room for the Baltic Region"]

[FBIS Translated Text] Lithuanian Foreign Minister Povilas Gylys, who has returned from a meeting of states which have concluded a free-trade treaty among the countries of central Europe, has stated that Lithuania has adopted a firm, final decision to join the North Atlantic bloc, IZVESTIYA Correspondent Nikolay Lashkevich has reported from Vilnius.

"Our moves toward NATO are not aimed against anyone at all but we must think about our security," the head of the Lithuanian Foreign Ministry stressed when commenting on Russian President Boris Yeltsin's statement about NATO's expansion plans.

There is a vague fear in the air in Russia, the Baltic, and NATO. [end of Lashkevich report]

Berlin — Not only Lithuania but Latvia and Estonia have long been asking NATO for protection from their unpredictable neighbor Russia. The Baltic politicians can go on expressing their wishes and requests. But what is the point of that at the moment?

The North Atlantic alliance is in no hurry to admit new partners.

The NATO states' foreign ministers have offered the public a scientific concept for the bloc's development entitled "How and Why." According to this document, NATO intends continuing to support the democratic and economic reforms in the countries in the East which are currently going through the difficulties of the transitional period. The document even says that NATO would like to admit those countries to the Western community. More precise terms are being stipulated for admission to NATO, namely: democracy, a market economy, and a readiness to defend the entire territory of the NATO countries against an aggressor although the document stresses that no one has the right to say: "We meet all the criteria, now you must accept us." NATO does not want to be bound by any commitments.

The NATO document contains clear attempts to reassure Russia, which is strongly opposed to NATO's expansion toward its borders. "Eastward expansion," the text reads (clearly designed for Russian consumption) "will be carried out gradually, step by step." There is no indication in the document that new members will be required to undertake commitments to deploy NATO troops on their territory. This is envisaged only in the case of joint maneuvers. NATO gives an emphatic assurance that there is no need to change the existing disposition of nuclear weapons. "As agreed with Moscow during the talks on German unity, NATO will not deploy any nuclear weapons east of the Elbe River."

Everyone will wait for the results of the presidential elections in Russia in summer 1996 and of the new U.S. President in November that year before NATO comes to a final decision on whom to admit as new members of the alliance.

It is well known that from the very outset, Ukraine and Belarus, like Russia, have no chance of joining NATO. Special relations with NATO have been prepared for them both.

Economic involvement with the EU and deepened military cooperation with the alliance should, according to the West's plans, preclude any zones of instability between Russia and NATO.

The states of Central and Eastern Europe have no chance of joining NATO all at the same time. First Poland, Hungary, and the Czech Republic will be allowed to join NATO. The second wave of new members could consist of Romania, Slovakia, Slovenia, and Bulgaria. The Baltic states will be last in line.

Estonia, Latvia, and Lithuania also know that any NATO member can use the right of veto to block the admission of a new member. What might happen after the first wave of admissions to NATO if Poland, the Czech Republic, and Hungary do not want the further expansion of this organization?

Political Issues

'Contradictory Details' About U.S. Embassy Attack

LD1709171695 Moscow NTV in Russian
1500 GMT 17 Sep 95

[FBIS Translated Excerpt] [passage omitted] New, often contradictory details about the attack on the U.S. Embassy are filtering through to the press. For example, the trajectory travelled by the shaped-charge, armor-piercing shell from a grenade launcher is provoking quite a lot of questions. Launched from the opposite side of the street, the shell struck a wall outside the sixth floor, penetrated into the room where a large photocopier stood, cut into the machine, and exploded. There is one interesting detail. The body of the grenade launcher was found in the archway of the opposite block, but according to several assertions it is impossible to reach the sixth floor from here as the top of the archway is in the way. Maybe they did not fire from there.

[Correspondent Vera Kuzmina] Our film crew went back to the scene of the event today. We found several testimonies that diverge from the generally accepted version. One female resident of the block opposite the embassy assured us that there was no-one in the archway one minute before the firing. It should be said that others say the opposite, that it was easy for the criminal to lose himself among the people in the courtyard. There are always workmen here, many flats look south [away from the embassy]. It is not surprising that even those who were nearby did not see who fired the grenade.

[Unidentified vendor] At the time of the firing I was coming out of the shop. The firing kept me back in the doorway. People gathered over there. I went to have a look too and a grenade launcher, mask, and gloves were lying in the archway. But I did not see who did the firing. [passage omitted] [video shows scene outside the U.S. Embassy]

Yeltsin Issues Constitutional Court Funding Decree

LD1709114395 Moscow ITAR-TASS in English
1121 GMT 17 Sep 95

[FBIS Transcribed Text] MOSCOW, September 17 (Itar-Tass) — Russian President Boris Yeltsin has issued a decree on "Procurement of Activities of the Constitutional Court of the Russian Federation".

The decree, dispatched to Itar-Tass today, mandates a separate section on appropriations for the Constitutional Court in the budget drafted for a new fiscal year.

Appropriations for the court are projected by the Russian government in coordination with Constitutional Court chairman.

The figure of spending within the budgetary appropriations is determined by the Constitutional Court.

Yeltsin Issues Territorial Rehabilitation Decree

LD1709114695 Moscow ITAR-TASS in English
1123 GMT 17 Sep 95

[FBIS Transcribed Text] MOSCOW, September 17 (Itar-Tass) — Russian President Boris Yeltsin has issued a decree on "Measures for Territorial Rehabilitation of Repressed Peoples".

The decree, whose text was provided to Itar-Tass today, sanctions that territorial rehabilitation be enacted by Soviet Russia's law on rehabilitation of repressed peoples in the period before new federal laws are passed.

The decree mandates observance of corresponding provisions of the Russian Constitution which in particular lays down that borders between Russia's component states may be changed only on terms of their mutual consent.

The Russian government is commissioned by the decree to motion dates and procedures for territorial rehabilitation of repressed peoples with close attention to civil rights and liberties of the peoples and citizens residing in their territories.

Defense Minister Visits Sochi To Brief Yeltsin

LD1809120495 Moscow ITAR-TASS in English
1142 GMT 18 Sep 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW, September 18 (Itar-Tass) — Russian Defence Minister Pavel Grachev flew to the Black Sea resort city of Sochi on Monday at 14:30 to meet President Boris Yeltsin who is holiday-making there, Itar-Tass learnt at the defence minister's office today.

According to reliable sources, the Russian leader and the defence minister will centre on the situation in Bosnia and strengthening of the country's defence capabilities.

It is quite probable that they will also discuss the situation in Chechnya.

Zorin Appointed Chief of FSB Antiterrorism Center

MM1509145995 Moscow IZVESTIYA in Russian
16 Sep 95 p 1

[Report by Aleksandr Mnatsakanyan: "Antiterrorism Chief Appointed"]

[FBIS Translated Text] On 14 September Russian Federation President Boris Yeltsin appointed Colonel

General Viktor Zorin chief of the Russian Federation Federal Security Service [FSB] Antiterrorism Center. He will remain first deputy director of the FSB.

Our correspondent Aleksandr Mnatsakanyan points out that during his career in the state security system (or whatever its name was) Viktor Zorin advanced as high as commander of the KGB 7th Directorate, which was engaged in surveillance on the street (commonly known as "gumshoes"). In 1993 he became chief of counterintelligence.

Following Sergey Stepashin's resignation Gen. Zorin was regarded as the likeliest contender for the post of FSB director. But the 31 July presidential edict only appointed Zorin first deputy to Mikhail Barsukov, at the same time relieving him of the post of chief of the FSB Counterintelligence Operations Directorate.

The FSB Antiterrorism Center does not exist yet as such. Viktor Zorin has to set it up. In all likelihood it will be based mainly on the FSB Antiterrorism Directorate. It would be perfectly logical to incorporate the Special Operations Directorate (formerly "Vympel") and "Alfa," not long ago retransferred to the FSB, in the new organization.

IZVESTIYA was told at President Yeltsin's press service that the edict was prepared a long time ago, so the new appointment and the creation of the Antiterrorism Center the day after the terrorist act at the U.S. Embassy were mere coincidence.

Chernomyrdin Remains 'Most Influential Politician'

LD1509213395 Moscow ITAR-TASS in English 1922 GMT 15 Sep 95

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, September 15 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin remains on top of the list of Russia's most influential politicians with his rating put down at 9.72 on a 10 point scale. These figures were released as result of a public opinion poll conducted by the "Public Opinion" fund jointly with TV journalists of the "ITOGI" weekly news programme presented by Independent Television (NTV).

Similar to previous surveys, experts have singled out ten leading Russian politicians without counting the rating of the Russian president. However, when asked about Yeltsin's influence, the majority of respondents (55 per cent) put him in first place, while the remainder (45 per cent) placed him second or further down the list.

According to the poll, Chernomyrdin is followed by chief of the President's Security Service Aleksandr Korzhakov, whose rating in August reached 8.97 points, which is two points higher than in previous polls. President's first aide Viktor Ilyushin comes third (6.71 points). He is followed by Moscow Mayor Yuriy Luzhkov (5.11), speaker of the State Duma Ivan Rybkin (4.59) first Vice-Premiers Oleg Soskovets (4.43), Anatoliy Chubays (3.72), with Gennadiy Zyuganov (1.67 points), Vladimir Shumeyko (0.93 points) and Grigoriy Yavlinskiy (0.73 points) bringing up the rear.

Chernomyrdin Confirms Decision To Sell Rybinsk Shares

LD1509210695 Moscow INTERFAX in English 1803 GMT 15 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 19 (Interfax) — Russian Prime Minister Viktor Chernomyrdin confirmed the government's decision to sell the state-owned block of shares in the Rybinsk Engines joint-stock company [Rybinsk, Yaroslavl region], a major Russian producer of aeroengines, Director General of the Federal Insolvency Department Pyotr Mostovoi told a press conference in Moscow today.

Russian President Boris Yeltsin instructed the prime minister to clarify the situation regarding the Rybinsk engines after the chairmen of four State Duma committees made a corresponding request to the president.

A number of Duma deputies, including Sergey Glazyev, said they deemed it unreasonable to sell the state-owned 37% of shares in the Rybinsk Engines because of this company's strategic importance.

Mostovoi said the sale of the state-owned shares in the Rybinsk Engines to a big investor was in the interests of national defense. "Only the non-state sector is capable of bringing about big financial injections without which the Rybinsk plant will fail to produce high-quality competitive aeroengines and other products," he said.

Continued Reportage on Upcoming Duma Elections

CEC Registers More Election Blocs

MM1809093695 Moscow ROSSIYSKAYA GAZETA in Russian 16 Sep 95 p 3

[Unattributed report: "Election Blocs Registered"]

[FBIS Translated Text] The Russian Federation Central Electoral Commission [CEC] 1 September decree No. 11/81-II has registered the "Communists-Working Russia—For the Soviet Union" electoral bloc for the election of deputies of the Russian Federation Federal Assembly State Duma of the second convocation as members of the "Russian Communist Workers Party" and "Russian Party of Communists" electoral associations.

The Russian Federation Central Electoral Commission 5 September decree No. 12/90-II has registered the "Bloc of Independents" electoral bloc for the election of deputies of the Russian Federation Federal Assembly State Duma of the second convocation as members of the "United Democratic Center" and "All-Russian Cultural and Enlightenment Center" electoral associations.

The Russian Federation Central Electoral Commission 5 September decree No. 12/91-II has registered the "Election bloc including the leaders of the Party for the Protection of Pensioners and Veterans, the Party for the Eradication of Crime and for Legality and Order, the Party for the Protection of Health, Science, and Culture, the Party for the Protection of Young People, the Association of Free Trade Unions, the Party of Justice, and the Party for the conservation of Nature" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "Association of Military Journalists," "Association for the Formation of the Health of the Rising Generation," the "Association for the Spiritual Regeneration of Science," and the "Russian Confederation of Free Trade Unions" electoral associations.

The Russian Federation Central Electoral Commission 5 September decree No. 12/92-II has registered the "Union of Russian Investors-National Salvation Front (FNS)" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "National Salvation Front" and the "'Transformation' Political Movement" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation electoral associations.

The Russian Federation Central Electoral Commission 5 September decree No. 12/93-II has registered the "Russia's Democratic Choice-United Democrats" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "Russia's Democratic Choice Party," the "Peasant Party of Russia," the "Russian Party of Social Democracy," and the "Congress of Russian National Associations" electoral associations.

The Russian Federation Central Electoral Commission 8 September decree No. 12/100-II has registered the "Our Future" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "Association for the Development of Citizens' Private Initiative" and the "Patriotic Movement for the Study of the Legacy of I.V. Stalin" electoral associations.

The Russian Federation Central Electoral Commission 8 September decree No. 14/101-II has registered the "Stanislav Govorukhin" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "All-Russian Association of Trade Unions," "Russian 'People's Alliance' Sociopatrtioic Movement," and the "Russian Peasants' Democratic Movement" electoral associations.

The Russian Federation Central Electoral Commission 8 September decree No. 14/102-II has registered the "Election bloc including the leaders of the Party for the Protection of Children (Peace, Good, and Happiness), the 'Russian Women' Party, the Orthodox Party (Faith, Hope, and Love), the People's Christian-Monarchist Party, the Party for the Union of Slav Peoples, the 'Mother Earth' Party of Rural Workers, the Party for the Protection of Invalids, and the Party of Victims of the Authorities and the Underprivileged" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the Tourism and Sports Union of Russia, the Russian Trade Union of Television and Radio Broadcasting Workers, and the Society for Consumers of Automotive Equipment of Russia electoral associations.

The Russian Federation Central Electoral Commission 8 September decree No. 14/103-II has registered the "Interethnic Union" election bloc for the elections of deputies to the Russian Federation Federal Assembly State Duma of the second convocation as members of the "Congress of Civil Accord of Russia," the "Association of Russian Koreans," and the "Russian Christian-Democratic Party" electoral associations.

CEC Annuls Rybkin Bloc's Registration

LD1509205195 Moscow ITAR-TASS in English 1941 GMT 15 Sep 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, September 15 (Itar-Tass) — The Central Election Commission [CEC] of the Russian Federation today annulled registration of the "Ivan Rybkin alliance" following the withdrawal of the public and political association "My Fatherland" from the alliance.

The Ivan Rybkin alliance today filed a new application for registration. The documents are to be considered by the Commission within five days. Commission deputy chairman Aleksandr Ivanchenko said the new registration would most probably take place on Monday, September 18.

The Ivan Rybkin alliance was first registered by the Central Election Commission on August 24. At the time, it consisted of six election associations: Popular Movement — Russia, Regions of Russia, the Russian Youth Union, Concord, the Union of Realists, and My Fatherland.

Ryabov: 'Serious Doubts;' More on Rybkin Bloc

MK1609125395 Moscow SEGODNYA in Russian 16 Sep 95 p 2

[Report by Gleb Cherkasov: "'Ivan Rybkin's Election Bloc' Will Register Again. Nikolay Ryabov Does Not Believe That all Russian Associations Aspiring to Duma Seats Exist"]

[FBIS Translated Text] Nikolay Ryabov, chairman of the Central Electoral Commission [CEC], speaking at a CEC session yesterday, voiced "serious doubts" as to the actual existence of all federal associations intending to participate in the parliamentary elections in Russia. Mr. Ryabov said that although the Central Electoral Commission is unable to ascertain whether all these associations exist in actual fact, he is going to approach the respective state structures, by the next elections, requesting an investigation. "Otherwise democracy could be discredited," the Central Electoral Commission chairman stressed.

Yesterday the Russian Federation Central Electoral Commission annulled its decision on the registration of "Ivan Rybkin's Bloc," as the "My Fatherland" federal association has withdrawn from it. Also yesterday, "Ivan Rybkin's Bloc" submitted new electoral lists to the CEC.

Defections Called 'Fatal' for Rybkin Bloc

MK1509080295 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 14 Sep 95 pp 1-2

[Report by N.K.: "Rybkin Has Lost His 'Fatherland.' The Defense Minister's Greed Has Ruined the Speaker's Bloc"]

[FBIS Translated Text] "The Rybkin bloc has materialized" and "the Rybkin bloc has not materialized" — these phrases have been used in recent months intermittently in the media with the same enviable consistency as day follows night and fall follows winter [as published].

Once again the Rybkin bloc materialized late last week when the federal list of candidates was made public and Ivan Petrovich [Rybkin] flew to Sochi to brief the president on the execution of the "state order." Three days after the briefing, the Ivan Rybkin bloc dematerialized again. This time it seems to be final, because the most prominent candidates on the federal list have quit: General Gromov, the singer Kobzon, the economist Shatalin, and Young Communist League leader Mishin. Naturally, the team is pulling "its" organizations from the bloc and recalling "its" candidates from the regional lists. Rybkin is being left with the Imperial Bank, which is probably not bad from the point of view of the interests of an individual, but is clearly insufficient for clearing the 5-percent barrier.

Ivan Petrovich has failed again, and the signs are that this is fatal.

The defectors from the bloc attribute their behavior to their disagreement with the social policy enshrined in the "Rybkin" platform. According to Gromov, they hoped that this would indeed be a bloc of "moderate" leftists constructively criticizing the government. In fact, however, the bloc's position envisions no criticism of the government, while Rybkin is only interested in one thing: how to get as many of "his" candidates as possible into the Duma.

The ideological differences within the bloc were compounded by mundane ones. For instance, the All-Russia Trade Union Council, which initially signed up with Rybkin, then shifted to Volskiy because, contrary to the agreement, Ivan Petrovich [Rybkin] did not include a trade union candidate in the first three places on the list.

Generally speaking, while knocking together his leftist bloc, the speaker acted rather perfidiously. With a jesuitical cunning, he handed out promises, which he apparently never planned to make good. Let's say that Gromov was lured with promises that salaries would be paid to him and his staff. The fact is that since March (that is, since Gromov was transferred from the post of deputy defense minister to that of chief military expert at the Foreign Affairs Ministry) he has not once received any salary. Neither have the officers on his staff. Under the president's edict on Gromov's appointment, he is an officer of the Defense Ministry sent on a special assignment, and it is this department that is supposed to pay for his civil service activity.

Two presidential edicts and one executive order, as well as six government orders, have been issued on this count, but no salaries are being paid to "Gromov's" officers just the same, because the mere idea of it provokes severe fits of revulsion with Defense Minister Grachev.

To all appearances, when joining the Rybkin bloc, Gromov hoped that the State Duma speaker would add extra weight to the president and the government and that all together, by pooling their efforts, they would somehow manage to address this issue.

These hopes were futile. Moreover, high-level government sources indicate that Gromov is going to be "frozen" in his present status as an unpaid civil servant. Naturally, patience gives way at some point. Miners in such a situation go on strike, and generals begin to fight for social justice.

Gromov brought to Rybkin's bloc a large portion of the organizations and individual personalities. Now he is taking them out and is creating his own center-left bloc, "My Fatherland," whose base will be made up of the Reform foundation (economists from the Shatalin team), the Young Communist League, and Afghanistan war veterans. Furthermore, the Independent Trade Unions of Miners of the South and the Civil Fleet Sailors' Association have already asked to join the bloc.

So far there has been no formal divorce, though. According to Dmitriy Biryukov, Rybkin's aide, they have received no statement about "Fatherland's" withdrawal from the bloc, and there is nothing to comment on yet. The press service of the mutinous bloc also turned overcautious yesterday and announced that there has been no official statement and that it is too soon to talk about a final separation from Rybkin. The most interesting part is that the Central Election Committee prudently abstained from registering the Rybkinites' lists, although this item was on the agenda of its Tuesday [12 September] session.

Theoretically, it appears that the Gromov bloc will be that coveted "leftist" counterbalance to the "rightist" bloc of Chernomyrdin, which was conceived to suit Rybkin's organizational abilities. The architects of the two-bloc strategy, however, will hardly agree to consider General Gromov the leader of the "center left" instead of the speaker. Rather the opposite may be the case: In the very near future, Gromov will be subjected to some new, unconventional repression, while a 101st attempt will be made to reanimate Rybkin by pumping more air into this constantly bursting balloon.

True, the nonviability of the Rybkin bloc in any form is now clear even to Kremlin strategists, and, in all likelihood, "air will be pumped into it" simply to divert attention. In fact, however, some other organization will be chosen as the state-supported "center left" (possibly the choice has already been made), and experts believe the Lebed-Skokov bloc will most likely become the lucky one in the very near future.

KRO Making 'Promises' to Voters

MK1609124895 Moscow SEGODNYA in Russian 16 Sep 95 p 2

[Report by Tatyana Uklyuchina: "Leaders of 'Congress of Russian Communities' Are Circulating Promises Among Voters. Compatriots Supporting Them Are Guaranteed 'Protection Against Gangsters and Bribe-Takers'"]

[FBIS Translated Text] The top three leaders of the "Congress of Russian Communities" [KRO] promise in their "political declaration" to direct the "power to build rather than bomb cities" and to use it "for protection against gangsters and bribe-takers." The KRO press service has started to distribute this declaration among voters.

Yuriy Skokov, Aleksandr Lebed, and Sergey Glazyev — who call themselves, respectively, "a professional politician, a combat general, and an economic scientist" — are advising their compatriots that each of them used to hold "high posts in the state," but left them "in protest against the regime's abuses." For this reason, the three of them "strive to instill into politics the idea of order and a strict and just state." Therefore, they urge Russians, together with their compatriots from the near abroad, to unify around the KRO "with all their lands and estates."

By so doing, "the professional politician, the combat general, and the economic scientist" personalize and make specific their appeal to the "estates": "Labor and combat veterans" are being reminded that "they have nothing to buy medicine or a postage stamp with" and are informed that "grateful compatriots... will bow their heads to veterans' gray hair and wounds" if they join the KRO. Workers and peasants are invited (after they join the congress) jointly "to put an end to unemployment, to start up stalled engines, and to revive desolate fields."

Young people are promised that they will regain "the feeling of success and strength" in exchange for "honest hands, bright minds, and an unblemished conscience." Soldiers and officers who join the KRO will be furnished with "top-rate weapons." Teachers, physicians, artists, and writers are invited by KRO leaders to curb "the wave of epidemics, corruption, and unspirituality." The leaders also hope to see among their bloc supporters "mothers, daughters, and sisters," together with whom, the declaration reads, "we will not let Russia turn into a wasteland."

Rossel Sets Up Bloc Branch in St. Petersburg

LD1509203495 Moscow INTERFAX in English 1755 GMT 15 Sep 95

[FBIS Transcribed Text] ST PETERSBURG, Sept 15 (Interfax) — Governor of Sverdlovsk region Eduard Rossel, now in St. Petersburg, will attend a founding conference later today to inaugurate the St. Petersburg branch of his election bloc, The Transformation of the Fatherland.

Speaking at a meeting with city legislators earlier in the day, Rossel outlined his own vision of greater regional self-rule. He called for "intensive horizontal contacts" between the regions and power sharing deals with the center.

Rossel, who intends to put the process of nomination and election of candidates under public control, told Interfax that honest professionals must come to a new Duma and government.

He told the city law makers of being seriously concerned at high-level corruption. The governor gave a negative response to the rush with which privatization was carried out. He believes this has been done for sheer political gains. He is opposed to the privatization of the oil and gas sectors and other high-profit businesses.

The governor is also expected to meet City Mayor Anatoliy Sobchak, hold a news conference and appear in a live television program before flying to Moscow late on Friday.

Military, Nuclear, & Space Issues

Generals View State of Army, Future Prospects

LD1809094295

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1805 GMT on 14 September carries the 45-minute "Army-95" program, subtitled "Conversation Without Middlemen."

The program is devoted to the present state of the Russian Army and its prospects for the future. The following army commanders, identified by screen caption, took part:

Marshal S. L. Sokolov;

Colonel-General Anatoliy A. Bogdanov, deputy chief of the General Staff of the Armed Forces of the Russian Federation;

Col-Gen Vyacheslav V. Zherebtsov, chief of the Main Organization and Mobilization Directorate of the General Staff;

Col-Gen Viktor M. Barynkin, chief of the Main Directorate of Operation of the General Staff;

Lieutenant-General Gennadiy D. Ivanov, assistant to the defense minister for military policy;

Col-Gen Yevgeniy V. Vysotskiy, chief of the Main Directorate for Personnel Training and Assignment;

Col-Gen Vasiliy V. Vorobyev, chief of the Main Directorate for Budget and Finance of the Defense Ministry of the Russian Federation;

Lt-Gen Sergey M. Zdorikov, chief of the Main Directorate for Personnel Work of the Defense Ministry of the Russian Federation;

Col-Gen Anatoliy P. Sitnov, chief of the Main Directorate for Armaments of the Armed Forces of the Russian Federation;

Lt-Gen Oleg A. Borisov, deputy chief of the construction and billeting of troops of the Armed Forces of the Russian Federation.

The questions being addressed during the program where: "Do we need an army?" "Do we need such a large army?"

Gen. Barynkin said: "Back in June 1991 it became clear that it would not be possible to preserve the single Armed Forces of the Soviet Union or the CIS because each of the former USSR states which had become independent first of all hastily set up their own armed forces and started pursuing an independent military policy. As a result, the country's whole air-defense system was destroyed, the ballistic missile early-warning system was disrupted, and damage was caused to aviation, particularly to long-range and transport aviation.

"In the circumstances Russia had to set up its armed forces practically from scratch. Moreover, the most battle-ready groups of forces, brought up to their full strength and equipped with the latest weapons and military hardware, were left on the territory of Belarus, Ukraine, and some other states."

The presenter says "As a result of the disintegration of the USSR, the Russian Army has lost the Baltic, Kiev, Belarus, Carpathian, Trans-Caucasian, and Turkestan [as heard] Military Districts. And, for example, the Moscow Military District became a border district."

Col-Gen Bogdanov said: "To reorganize our forces was a very difficult problem because we had to move 1,000 kilometers back from the borders which we had been creating for 70 years to defend the state, including after the Great Patriotic War which all of us in this country went through. Our parents went through that war. The first group on our new border is along the borders of Smolensk, Voronezh, and Rostov-on-Don regions. We also lost the Transcaucasus and we had to reorganize this entire group of forces, to bring it up to strength, to provide it with military equipment and materiel, to provide accommodation, to build houses and barracks, to build depots and fortifications."

The presenter asked: "When the political situation changed, the Russian Army pulled its troops out of Hungary, Czechoslovakia, Poland; it pulled out 22 elite divisions from Germany alone. Politicians decided and a 500,000-strong group of troops was pulled out from Eastern Europe. However, not only the military but many politicians as well could not understand why it was done in such a hurry as if it was not a planned withdrawal of troops but a humiliating evacuation. The army, as it is accustomed, carried out the orders accurately: It did not have any idea what was awaiting the military at home. And here many elite units were disbanded and others were sent to green-field sites."

Lt-Gen Borisov: "You know, we did not receive a single German mark for all our property which the Western Group of Forces left in Germany, not only the apartments and barracks but also large airfields, test ranges, depots, and so on. An intergovernmental treaty was signed on the so-called "zero option". The Germans did not make any claims regarding the ecology and similar issues, and our government agreed not to be paid anything."

Col-Gen Bogdanov: "As a Russian and a military person, above all, I was very unhappy that a treaty was signed that was unfair to the Russian person and to the Russian serviceman, above all. To pull out such a group of troops, and mostly to new places of deployment, in three and a half years — it was a crushing treaty."

One of the most acute problems facing the army at present is its strength level.

Col-Gen Zherebtsov: "In some combat units the manning level of soldiers and NCOs is only between 15 and 30 percent of that required. One of the problems of the armed forces is their manning level which is below the norm. At present, on average the armed forces are at 60-percent strength." He continued: "When the Russian army was set up, the numerical strength of the armed forces was set at 2.8 million men. As of 1 January 1996, the numerical strength of the armed forces will be 1.7 million. In other words, in the last three years, during the period of the formation of the armed forces, the army has been reduced by 1.1 million. At the same time, about 1,500 units have been totally disbanded."

Financial conditions in the Russian Armed Forces are very difficult at present.

Col-Gen Vorobyev: "The thing is that our budget is exclusively socially orientated. The thing is that more than 60 percent of the budgeted amount is being spent on the social needs of the army and navy personnel: on food and clothing allowances, on wages, food, clothing, and related gear, housing construction, accommodation for officers and warrant officers, naturally, and not, as some people think, to build exclusively complex military facilities, and so on. In the last three years the budget that is being adopted by legislative bodies, as a rule, is only between one-third and two- fifth of the funds needed to maintain combat readiness and the normal functioning of the armed forces.

"To give you an idea, the Defense Ministry has become one of the main debtors in the country. As of 1 July 1995, we owed all our creditors more than 9 trillion rubles [R]."

A caption on the screen read: "The debt of the Far Eastern Military District for communal services, electricity, and fuel amounts to R200 billion. Power and water supplies are being cut off in all garrisons, delivery of fuel has been stopped. The expeditionary and Arctic supplies of materials and fuel have not been started. Without an immediate solution to the problem of financing, I will be forced to begin evacuation of the personnel of the formations and units from the regions in the far north, Kamchatka, Sakhalin, and the Kuril Islands. Commander of the Far Eastern Military District troops, Col-Gen Viktor Chechevatov."

Lt-Gen Borisov: "The situation is such that I cannot conceal the truth. The president decided that a special state program should be drawn up to provide accommodation for servicemen for 1993-1995. Under the program, using funds from the federal budget, we were supposed to build 220,000 apartments in the last three years. Unfortunately, owing to delayed and incomplete financing, the program was doomed to failure from the beginning. In 1993 it was 83 percent financed, last year 46 percent and in the first six months of this year we received from the Finance Ministry only 26 percent of the funds allocated for this year. In other words, it is now absolutely clear that by the end of the year we will receive 50 percent, at most, of these 220,000 apartments."

The presenter: "In recent years Russia has been actively exhibiting its armaments on the international market. In spite of severe competition, our hardware is in high demand." He continued: "However, our army often cannot afford the products of our own defense industry."

Col-Gen Vorobyev: "I'll give you an example. In 1991 we orderd — and these were manufactured — 585 combat aircraft at six aircraft factories of the defense industry. This year we have ordered only two combat aircraft."

Col-Gen Sitnov: "For many types of armaments, we used to have a surplus sufficient for five, seven, or even 10 years. Now it is being reduced almost to zero, particularly in air-defense armaments and aviation." He continued: "Providing hardware for the army is the question which is worrying us most at present. We are racking our brains: how to resolve the problem of re-equipping the army with the funds allocated to us? In the armies of the most developed countries the latest types of armaments should comprise between 60 and 80 percent: our figure at present is 30 percent. The level of financing is such that in practice we will not be able to modernize many systems and complexes, in spite of the fact that we have a good surplus of scientific and technical reserves. By 2005 we will only have about 5-7 percent new armaments. Gradually we will slide toward the category of armies of third-world countries."

The presenter: "In terms of expenditure on one serviceman, the Russian army spends 10 times less than Germany, almost 20 times less than the United States, and 40 times less than Japan."

Gen-Gen Sitnov: "We are not buying aircraft. We are not buying ships. All our efforts are being aimed at finishing the Peter the Great so that we can celebrate the 300th anniversary of the Russian Navy. There is a large antisubmarine ship, the Chabanenko, which is being built at the Yantar factory in Baltiysk. We are trying to finish and commission it this year but we do not have enough resources. We are even cutting ships, the latest destroyers, at the northern shipyard: we can finish only two out of five there, and we are selling the rest as scrap metal. As for submarines that we are building, including the strategic ones, we will be able to finance only half a submarine this year. In other words, we are 30 percent financed this year, between 30 and 32 percent. Insufficient financing, after the Yegor Gaydar government reduced our defense industry by seven times in terms of volume of production in 1992. Compared with 1991, the volume of production was only 33 percent by the end of 1992. And each subsequent year, no matter how hard we tried, we were not been able to raise this figure because the blows against the defense complex were so heavy that at present we are only trying to maintain the technology."

The reform of the army was another subject discussed in the program.

Col-Gen Bogdanov: "Talking about reforms the armed forces should carry out, I would say the following: Not a single ministry has ever reformed itself independently and it is unable to do so. Reforms are up to the state to implement. A provisional interdepartmental commission of the Security Council of the Russian Federation for reforms in the Armed Forces is dealing with this. It is chaired by Viktor Stepanovich Chernomyrdin. It is to define the direction of military reform and, within its framework, our army reforms — that is reforms in our armed forces."

Lt-Col Ivanov: "The very existence of the Russian army, or the possibility of setting up a Russian army have predetermined other tasks and set us new conditions. We cannot, as in the past, have such a large army and hence we cannot have powerful groups of forces everywhere, at all sections along the borders of the Russian Federation. A way out has been found: to set up mobile forces. The mobile forces have not yet been fully set up but their making is well under way. This is an operational-strategic formation which will deal with tasks characteristic of their nature. As their title suggests, they will reinforce any direction which may be in the interests of Russia's security."

Col-Gen Barynkin: "As a prospect for the future, we think it is possible to have a smaller number of types of armed forces. However, this issue needs to be thoroughly studied and there should be a decision by the country's leaders to this effect. We are attaching priority in the structure of the armed forces to the strategic nuclear forces at present as a guarantor of ensuring strategic stability. As regards the numerical strength of the armed forces, I would say the following: In peace time, it should not be below 1.7 million servicemen since a further reduction in the numerical strength would lead to the disintegration of the whole system of the armed forces. The state of the army directly depends on the state of the economy. Unfortunately, the state cannot provide decent conditions of life and everyday life for the servicemen."

He continued: "The Defense Ministry has drawn up a draft blueprint for the formation of the armed forces for the period 1996- 2005."

Col-Gen Sitnov: "We are drawing up an armaments program to the year 2005 and this has become a stumbling block. What are we going to have in the year 2005? What balance and what potential will the army have by the year 2005? Will it be able to ensure the country's defense capability, or will it not? How far will the Western countries be ahead of us in developing the hardware of their armies?"

Col-Gen Bogdanov: "Talking about the future, the army should, of course, be professional. But judging by the present reality and the state's possibilities, we cannot immediately switch to an army which the state is unable to pay for."

Col-Gen Zherebtsov: "Up to 30 percent in the Russian Armed Forces at present are servicemen on contract service. At the same time, since the beginning of conscription to contract service [as heard], in the last two years about 50,000 of them have already resigned. What is the reason for this? Why is there such a high turnover of manpower? First of all, appropriate legislative acts have not been prepared."

In conclusion, as a postcript to the program, Col-Gen Bogdanov said: "I would say the following: The army must be protected by state structures because the army is a state structure. And if it is not protected, it is too bad."

Grachev on Results of Pacific Fleet Inspection

LD1509224195 Moscow Mayak Radio Network in Russian 1835 GMT 15 Sep 95

[FBIS Translated Text] A representative delegation from the Defense Ministry, headed by Army General Pavel Grachev, inspected the Pacific Fleet in early September. Here is Army General Pavel Grachev, defense minister, speaking about the outcome of the inspection.

[Begin Grachev recording] The state of affairs at the Pacific Fleet has improved greatly — with regard to providing the troops with everything necessary and with regard to combat training. Special attention was paid to the subunits stationed on the notorious island of Russkiy, which is known worldwide and represents a disgrace for the Russian Army — the incidents of soldiers dying there. A large number of military units there have been cut as a result of measures taken. Those that remain — 13 units — are now in a satisfactory condition. They are provided with every kind of allowances. The situation has improved considerably. The new command of the fleet keeps everything under control.

Among those inspected were the troops of the Khabarovsk garrison. I would like to mention in this connection that the troops under the command of Colonel General Chechevatov, commander of the Far East Military District, are now taking part in military training. This fact has been borne out by Viktor Ivanovich Ishayev, head of the Khabarovsk Territory administration, and by our officers, who worked at various units over three days.

I would like to describe the topical issues you know already as a common drawback: the lack of funds for maintaining the higher level of the operating efficiency of the military hardware, for carrying out scientific research and implementing design projects, and for ordering new equipment and hardware. The second negative feature is that the units are poorly manned. The low strength level of the fleet (68 percent) and the district (54 percent) does not make it possible to tackle combat tasks more successfully.

The third drawback is that it is the beginning of September already and we have not yet provided in full the subunits stationed in the north with logistic and technical support resources and food, although the navigation period will end soon. Therefore, we have decided to step up our activity and complete supplies to the north. [end recording]

These are the problems identified by Army General Pavel Grachev during the inspection of the troops of the Far East, Baykal region, and the Pacific Fleet.

Yushenkov Cited on Boosting Pension Funding

LD1809102595 Moscow ITAR-TASS in English 1011 GMT 18 Sep 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, September 18 (Itar-Tass) — Expenditures on pensions to military next year are to be more than doubled as compared with the current year, Sergey Yushenkov, Chairman of the State Duma Committee on Defense, told Itar-Tass on Monday. He commented on articles of expenditures on defense under the draft law on the 1996 federal budget.

Altogether the government allocates 78,900 billion roubles for defence. Debating of the draft budget in the State Duma will show if this sum will be endorsed by the parliament. "This is a huge sum," Yushenkov said. He noted that defense expenditures in the current year will amount to 50,000 billion roubles.

"The Duma Committee on Defense cannot be satisfied with the fact that be the government subdivides military expenditures in only five openly revealed articles," he said. He noted that there are 18 open articles in the current military budget. "We shall be insisting that at least the present state of things be restored in the new budget," Yushenkov said.

He noted that in conditions when Russian society is advancing to greater openness taxpayers should know on what purposes state funds are spent by the Defense Ministry. "We are all interested that the population know about the sums allocated for defence and that the parliament could monitor their spending," Yushenkov said. He noted that this is customary for many large countries. "This is a normal state of things. For instance, there are 800 open articles in the U.S. budget," Yushenkov said.

Yushenkov set out the main articles of expenditures on defense envisaged by the draft law on the federal budget for next year. Thus over 41,000 billion roubles are allocated for the maintenance of the armed forces, while 24,000 billion roubles were allocated for the current year. A larger sum than in 1995 is earmarked for the purchase of armaments and military equipment, 12,700 billion roubles.

Yushenkov said the lowering of planned expenditures for research and design causes special concern. These expenditures will drop by three per cent on the current year. The Duma Committee on Defense is going to press that a larger sum be allocated for this purpose.

Further on Power Supply Cutoff at Plesetsk

LD1509200695 Moscow NTV in Russian
1500 GMT 15 Sep 95

[FBIS Translated Text] There will doubtless be another investigation, this time in northern Russia, where an emergency has occurred. This is not because of terrorist action, though rather because of the usual Russian sloppiness.

The Strategic Rocket Forces Press Center announced 15 September that at 1000 hours the Arkhangelsk Territory Administration switched off the power supply to the strategic rocket troops' state testing ground at Plesetsk, because of arrears in payments for electricity. Reports later came in that the power supply was nevertheless being fed to the installations at Plesetsk and the cosmodrome there, and that the supply had only been interrupted for 15 minutes.

We decided to discover for ourselves, and contacted Valeriy Pecherskiy, a spokesman for Plesetsk cosmodrome. He said that Arkhangelsk administration officials had started talking about flicking the switch yesterday. It had been explained to them that this must not be done, first and foremost because the military space forces are not payers or debtors, because the power lines belong to the rocket troops.

What's more, if our power supply was cut off during tests, this could put people's lives and health in danger, and have an adverse impact on the environment. There are aggressive components in the engine fuels.

[Spokesman] Some rocket engines are fueled with so-called giptil [phonetic], which is 300 times more toxic than potassium cyanide. Not wishing to take any risks, the cosmodrome command ordered the transformer substation to be put under guard.

Nonetheless, at 1000 hours today, our electricity supply was switched off at the distant sites where the technical launch complex is located. Within an hour, though, at 1100 hours, it was switched back on, and now the supply is being fed. The guard on the transformer substation is being kept up, though, until the matter is resolved.

[Correspondent] Was the power supply cut off only at your installations, or at the rocket troops' installations, too?

[Spokesman] The power supply was cut off at the rocket troops' installations on 6th September, but as for today, I'm not prepared to say whether it was cut off or not. But we are in different positions, the rocket troops have mobile generators, which can ensure the power supply, but we don't have any such things. They are not carrying out any tests at the moment.

[Correspondent] Nevertheless, according to the rocket troops' press service, today's power cut halted tests on the Topol-M missile complex.

Extent of Debts Detailed

LD1609135995 Moscow NTV in Russian
2000 GMT 15 Sep 95

[Correspondent's video report, including recorded comments by Colonel General Vladimir Nikitin, deputy commander of the Russian Strategic Rocket Troops; from the "Today" program]

[FBIS Translated Text] Dudayev's illegal gangs are not the only thing the Russian military are fighting. On Thursday, the Ministry of Fuel and Power Engineering dealt the Army an unexpected blow. During the morning the power supply was cut off to the Plesetsk test range, where the northern space complex and the test ranges of the strategic rocket troops are situated.

[Correspondent, over video of military, missile and space installations] According to the press services of the military space forces and the rocket troops, activity was paralyzed at all the test range installations, where tests of the new Topol-M strategic complex and preparatory work for the launch of the Resurs-F2, scheduled for 26 September, are being carried out. In fact, the military did not have to halt operations, since the cut was a warning one, for just an hour. To protect themselves from the aggressive power engineers, officers armed with gas pistols stood on guard today at the transformer substations feeding power through to the military installations.

The rocket troops have not paid for electricity for many months now — and not only in Arkhangelsk Region, either. A year ago, the electricity was cut off at the central command point, which brought the entire system of strategic nuclear deterrence to the brink of going out of action. A criminal case brought over the arbitrary action by the power engineers was closed after they apologized to the rocket troops. Then a government instruction banned cutting off military installations without special permission. Today, however, this is possible. All Defense Ministry strategic consumers have been designated category No. 2, and local authorities have the right to punish debtors as they think fit.

In Arkhangelsk Oblast, the rocket troops owe 17 billion rubles for electricity; throughout Russia as a whole, their debt exceeds 70 billion rubles. Colonel General Vladimir Nikitin, deputy commander of the Strategic Rocket Troops, puts this down to government thoughtlessness over the military budget.

[Nikitin on telephone line, over video of installations] As consumers, we have to pay for electricity at combat duty locations. But we have clocked up this debt because we have no money to pay, and that is why the power is being cut off. We have hardly enough money to pay the officers' salaries — pay and allowances, as we call them — and even then they are a month overdue.

[Correspondent] Meanwhile, the electricity men are continuing their assault on military facilities. On Thursday, Mosoblenergo [Moscow Region Power Company] threatened to cut off electricity to Zvezdnyy townlet, where Russian and foreign cosmonauts are trained. The military assert they can continue on their own generators for a few days, but then they will have to give in.

There is a very real chance that the army, which exists to defend us from external aggression, will be defeated by an internal foe. But out of no evil intention.

Further Power Cuts Possible

LD1809122495 Moscow INTERFAX in English
1130 GMT 18 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 18 (Interfax) — Arkhangelsk region authorities restored Sunday the power supply for the Plesetsk testing ground of the strategic rocketry command, Ilshat Baychurin, a spokesman for the command press center, told Interfax.

He added, however, that power is supplied through one substation rather than two as before.

Colonel General Vladimir Nikitin, deputy commander of the strategic rocketry, said that the power can be cut off again.

Following a warning, the Arkhangelsk region authorities cut off the power supply on September 15 because the rocketry units did not pay their energy bills.

As a results all the installations in the testing ground and those operated by the Russian Space Force based in Plesetsk were disabled. The testing and experimental activities, notably on the Topol-M system for the strategic rocketry, were suspended.

Black Sea Fleet Hit By Power Cuts

LD1609165995 Moscow NTV in Russian
1500 GMT 16 Sep 95

[From the "Segodnya" newscast]

[FBIS Translated Text] The Black Sea Fleet remains at the center of the dispute between Moscow and Kiev. This dispute has worsened again: the Ukrainian military declares that the Black Sea Fleet has halted the handover of the Donuzlav base to Ukraine. The Black Sea Fleet command says this has been done because Kiev keeps changing the already agreed principles for dividing up the fleet. In turn, the Ukrainian authorities seem to be trying to use a tried and tested method for putting pressure on the Black Sea sailors — turning off the tap. A report from Simferopol.

[Correspondent Anna Konyukova, over video of aircraft, radar control panels] The power supply to the Black Sea Fleet squadron is cut off without warning in mid-flight. And until the emergency systems are activated, the jets are in the skies without any communications. The electricity supply is cut off to the entire Black Sea Fleet for 10 and more hours every day.

[Viktor Kutugin, chief of the Black Sea Fleet naval engineering service] Human potential is boundless, so we shall get out the trench stoves, we shall get ourselves warm, we shall get out the field kitchens, we shall maintain combat readiness even in these conditions, and shall try and fulfill our tasks to the best of our ability.

[Konyukova, over video of public demonstrations, cows in field] Black Sea Fleet officers believe that for many hours of every day the southern borders of Russia and Ukraine are without reliable defense. Crimea's farmers lament the catastrophic state of affairs at public meetings, too. The power cuts mean that irrigation systems are constantly idle, fields are not being watered, livestock numbers are going down, there is no fuel to carry out the fall sowing, and the fruit and vegetable harvest has still not been brought in.

Military To Monitor Own Nuclear Facilities

LD1609232495 Moscow Russian Public Television First Channel Network in Russian
2138 GMT 16 Sep 95

[FBIS Translated Text] Starting from today, the task of monitoring conditions at military nuclear facilities has been officially transferred to the military themselves. Several days ago the spokesmen for the State Committee for Supervision of Nuclear and Radiation Safety

[Gosatomnadzor] said that in accordance with the presidential decree of 26 July they had been relieved of any responsibility for those facilities. The nighttime edition of "Novosti" presents an exclusive report on the subject.

[Begin recording] [Correspondent Lana Gorbunova] At present, Russia has no state system for monitoring and taking stock of nuclear materials. The laws on the use of nuclear energy and on state policy with regard to treatment of radioactive waste — the first such laws in 50 years of existence of nuclear power engineering in Russia — were vetoed by the president. Now, under the president's instruction, all tasks of state supervision over the creation, use, and scrapping of nuclear weapons have been taken away from Gosatomnadzor and transferred to the Ministry of Defense. The head of Gosatomnadzor, Yuriy Vishnevskiy, said military nuclear facilities were causing particular concern.

[Vishnevskiy] Procedures for drafting these documents were breached and they were not agreed with us. As a result of this new instruction, not only one of our functions, but the overall objective of the work of the entire department has disappeared.

[Gorbunova] Yuriy Vishnevskiy said that in effect in the past three years his staff were never given a chance to inspect military nuclear facilities.

[Vishnevskiy] I would say that we could only visit the enterprises occasionally, and could not conduct continuous supervision. We started discussing the question of the need to solve the problem of scrapping nuclear-powered submarines. These submarines had been moored there for decades, and only our intervention and our concern helped to raise this problem to the status of a state program. This at least is a positive achievement on our part.

[Gorbunova] At present, only three Russian enterprises — the mining and chemical combine at Krasnoyarsk-26, the Siberian chemical combine in Tomsk, and the research institute for nuclear reactors in Dimitrovgrad — bury the waste in the most acceptable and safe manner, which involves solidification and deep storage. All the enterprises are hard pressed to tackle the existing volumes of waste. As nuclear-powered submarines are being scrapped, the volume of radioactive waste is expected to increase by 20-30 percent by the year 2000. Add to that the fact that until recently only one-fifth of the required funds was being allocated from the budget for waste processing and burial. Nearly all of Russia's 22 regions have refused to let trains carrying radioactive waste pass through their territory — in view of high radiation risks. Until 1992 liquid radioactive waste was dumped in specially designated areas in the Baltic, Barents, White, and Kara Seas and the Sea of Japan. Thirteen such areas have been revealed in the Arctic seas. Whether it was a coincidence or not, but since 1992 — the year when the right to inspect military nuclear facilities was given to Gosatomnadzor — this practice has been officially terminated. But now the monitoring functions with regard to the use of submarines have returned to the Ministry of Defense. [end recording]

Kokoshin Notes 'Important Role' of Nuclear Forces

LD1509192095 Moscow INTERFAX in English 1845 GMT 15 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 15 (Interfax) — Russian First Deputy Defense Minister Andrey Kokoshin and General Constructor of Maritime Artillery Missile Complexes Igor Velichko discussed prospects for the development of the maritime component of Russian strategic nuclear forces today.

An Interfax correspondent reports that after the meeting Kokoshin said: "Strategic nuclear forces have played and will play an exclusive and important role in ensuring the defense of Russia, its friends and allies within the context of world power balances."

Kokoshin said he considered it necessary to increase defense expenditure in 1996. He said the government should fulfill its obligations regarding the 1995 defense order. "A number of measures for preserving unique technology which ensure the development of national rocket-building are also necessary," Kokoshin said.

Implementation of START I Commitments 'Undermined'

MM1509151095 Moscow IZVESTIYA in Russian 16 Sep 95 p 1

[Report by Viktor Litovkin: "Fulfillment of START I Treaty Being Undermined"]

[FBIS Translated Text] Murmansk Oblast — This is considered one of the most secret Northern Fleet bases. Revda-3 is lost amid the polar hills of Murmansk Oblast's Lovozerskiy Rayon. Before IZVESTIYA arrived no journalist had ever set foot here. Foreign military manuals claim that nuclear warheads for Russian ballistic missiles are stored here.

Our military is silent about whether this is the case or not. But, as stated in the memorandum to the START I Treaty, stockpiles of nuclear submarine ballistic missiles are located here, and the treaty commitments — to eliminate and partially recycle RSM-25 ("Ripple"), RSM-40 ("Height"), and RSM-50 ("Wave") naval missiles — are being implemented.

During the seven years after the signing of the treaty (as of 1 September 1990), our naval seamen will have to eliminate 1,924 ballistic missiles. Have to? But whether the naval specialists will be able to carry out Russia's state commitments under START I is an open question.

It will be necessary to build a hot box [teplyy boks] to drain and neutralize the very toxic and corrosive liquid missile fuel — heptyl — and a building with changing rooms, showers, medical facilities, and other specific premises will have to be built to perform health checks and special monitoring of the people doing this dangerous work. But neither of these things is available at the base. Along with a lot of other requirements.

After all, apart from building warm premises and introducing environmentally friendly technology, the naval missile elimination center in Revda also requires special tanks to drain off the missile fuel tanks and to transport heptyl and its oxidant — nitric acid — to manufacturing plants. These are sited thousands of kilometers away from the Arctic. But instead of a train, all that is available in Revda is one fully operational tank car for the heptyl and two for the acid.

The seamen claim that it will all need more than 2 billion rubles to do the job. But the government is not allocating any money. Even the money ratified by the budget.

The trouble, I was told at the base, is that one lot of people signed the START I Treaty and made the decision to eliminate the strategic missiles, another lot ratified it, a third lot are in charge of the money for the program, and a fourth lot are distributing that money. The interests of these people do not coincide for some reason. And the seamen are left out in the cold. Nobody thinks we can go on like this indefinitely.

Currently 23 ballistic missiles have been eliminated at Revda. With the onset of the first frosts all work will be halted, the officers said. Missile fuel that vitrifies [osteklenevsheye] in the cold does not respond to shouts and orders....

Old Submarines Called 'Floating Chernobyls'

LD1709154395 Berlin DDP/ADN in German
1426 GMT 17 Sep 95

[FBIS Translated Text] Baden-Baden (DDP/ADN) — Many of the Russian Navy's out of service nuclear submarines are like "floating Chernobyls." This view was expressed by Aleksey V. Yablokov, an adviser of Russian President Boris Yeltsin, on the ARD "Report" program from Baden-Baden. In the program, to be broadcast on Monday night, Yablokov, who is also the chairman of the Inderdepartmental Commission for Ecological Safety, reported that around 10 of these submarines have defects in their reactors and cannot be made safe with the technology currently available in Russia. Yablokov said explosions are possible if the situation gets "out of control," according to a report by the program which was prereleased today.

Admiral Oleg A. Yerofeyev, commander of the Northern Fleet, also said these submarines are in a critical state. They could "sink at any time," he said. This could lead to an ecological catastrophe.

ARD also said that the Navy has a further 50 disused nuclear submarines which have not yet had their highly radioactive nuclear reactors, fuel rods, and waste removed. This could not take place due to a lack of storage capacity for nuclear waste. According to Yerofeyev, 95 percent of the capacity for storing solid radioactive waste has been used.

Yeltsin Submits Draft Chemical Weapons Law to Duma

LD1609143095 Moscow ITAR-TASS in English
1423 GMT 16 Sep 95

[FBIS Transcribed Text] MOSCOW, September 16 (Itar-Tass) — Russian President Boris Yeltsin submitted to the State Duma a draft law "On the Elimination of Chemical Weapons," the presidential press service said on Saturday.

The draft law "aims at providing a legal basis for the elimination of chemical weapons in the Russian Federation with a view to ensuring public security and ecological safety," the press service said.

Yeltsin also named Pavel Syutkin, Chairman of the president's Committee for Conventional Problems of Chemical and Biological Weapons, to be his representative at the parliamentary hearings on the subject.

Federal Assembly

Duma Liberal Democrats Seeking No Confidence Motion

LD1509191595 Moscow INTERFAX in English
1842 GMT 15 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 15 (Interfax) — MPs' signatures are being collected under a motion demanding that the State Duma debate the issue of confidence in the government because Prime Minister Viktor Chernomyrdin allegedly abuses his office in his electoral campaign, Sergey Glazyev, chairman of the State Duma Economic Policy Committee, told Interfax Friday.

Glazyev's aides told Interfax that the collection of signatures was initiated by the Liberal Democratic Party of Russia's group and its leaders Vladimir Zhirinovskiy and Aleksandr Vengerovskiy were the first to sign the motion. Over two thirds of the necessary number of signatures, 90, have been collected.

The collection of signatures will officially continue until the end of parliamentary vacations on September 25.

The organizers of the signature collection want the issue of confidence in the government to be debated at one of the first sessions after the vacation.

Chernomyrdin is the leader of the Russia Is Our Home bloc.

The State Duma voted on confidence in the government in October 1994 and June 1995. On both occasions the non-confidence resolution was not supported by the necessary majority.

Council's Viktorov Previews Upcoming Budget Debate

MM1509140895 Moscow KRASNAYA ZVEZDA in Russian 15 Sep 95 p 3

[Report by Petr Karapetyan: "Valeryan Viktorov: 'We Are Not So Rich As To Be Able To Have a Poor Army.' Federation Council Deputy Chairman Intends To Lobby for Army's Interests in Discussion of Draft Budget"]

[FBIS Translated Text] At a meeting with journalists, Federation Council Deputy Chairman Valeriyan Viktorov said that on 3 October, at the very first sitting after the parliamentary vacation, the upper chamber of the Federal Assembly will examine the draft budget for 1996. He noted that for the first time the budget will be presented on the expectation of a fall in the GDP and a record low inflation rate. Inflation is expected to be 35 percent per year. It would be pertinent to recall that in 1993-1994 inflation was also kept within these bounds, which are perfectly acceptable as far as the current state of the Russian economy is concerned, but, nonetheless, this did not prevent a budget funding crisis and an adjustment of it. In this connection Viktorov did not rule out a situation where nonfulfilment of overly optimistic forecasts would lead to arbitrary behavior by the executive authorities (not least, of course, by the Finance Ministry), and that would result in confrontation (for the umpteenth time) between parliament and government and arbitrary behavior by officials and corruption in the structures of state power. Viktorov believes that it is advisable, in the process of the Federal Assembly's approval of the budget, to supplement the draft with norms determining the exact procedure for changing the volumes of funding in the event of nonfulfillment of plan indicators for revenue, and also to grant parliament the right to make the relevant decisions in the process of executing the budget.

The draft budget presupposes a considerable increase in the proportion of tax revenue (from 87.4 percent in accordance with the plan for 1995 to 85.4 percent). Obviously, this is due to the fact that in the current year the plan for collecting nontax revenue has effectively failed. Funds from the sale of state property are expected to amount to 4,785,400,000,000 rubles [R] instead of the projected R8,773,600,000,000 and from the transfer of Central Bank profits — R1,575,000,000,000 of the planned R7,200,000,000,000.

But the planned indicator for income from privatization remains high — R12,107,000,000,000 or 3.8 percent of federal budget revenue. This is 50 percent higher than this year's plan and nearly three times what is expected in 1995. At the same time, Valeryan Viktorov observed that unless they devise new approaches to privatization, which has essentially failed, any hope of high income from it will have to be abandoned.

Concerning the defense items in the budget, Viktorov said that defense expenditure is expected to be increased in current prices from the R50,853,700,000,000 of the plan for 1995 to R78,972,700,000,000 in the draft for 1996. In comparable prices this means a 16.8 percent increase in expenditure, which is... considerably lower than the average increase in expenditure, which is 25.5 percent. Valeryan Viktorov said that in the upcoming budget debate he intends to lobby for the interests of the power structures, the Defense Ministry in particular. He agreed that the expenditure planned for the Army was insufficient: "We are not so rich as to be able to have a poor army," but at the same time he said that when examining the corresponding proposals from the Defense Ministry it should be determined how economically sound they are and how realistic the funding would be. Our problem, he said, is not that we do not provide enough, but that we do not have enough revenue coming into the budget.

Well, all the signs are that the debate on the defense items in the budget will certainly be on par with the one that unfolded during the discussion of the budget for this year. Viktorov suspected that "we will not succeed" in adopting the budget this year and it will more than likely be adopted by the new Federal Assembly. The Army is already accustomed to politicians' promises to watch over its interests at all levels of state power. But promises are about as far as we have got so far. What about this time? Valeryan Viktorov said that his trips to Chechnya had persuaded him of the need to have a strong, well trained, and properly equipped army. We have heard that before. When will something actually be done?

To Lobby For Defense Interests

LD1709074195 Moscow Voice of Russia World Service in English 0700 GMT 17 Sep 95

[FBIS Transcribed Text] Russia's Defense Ministry has asked the Council of the Federation — the Russian parliament's upper house — to increase next year's budget spending on the military by 55 percent. The deputy chairman of the parliament's upper house, Valeriyan Viktorov, decided that the planned expenditure for defense was insufficient and said that he would be lobbying the house in the interests of Russia's military forces. The planned expenditure for the military in the draft budget has grown from R50,000 billion this year to R79,000 billion next year.

Regional Affairs

Further Reportage, Commentary on Chechnya Conflict

'Large-Scale' Troop Withdrawal 4 Oct

LD1509182595 Moscow INTERFAX in English 1750 GMT 15 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 15 (Interfax) — Russia is to start large-scale troop withdrawal from Chechnya on October 4, a Chechen official said on Friday, citing a schedule.

Akhmed Zakayev, a member of a Russian-Chechen commission appointed to monitor the July 30 military accord between Moscow and the Chechen rebels, told Interfax the schedule had been seen by the commission on Friday but had yet to be endorsed by Russia's Prime Minister Viktor Chernomyrdin, Defense Minister Pavel Grachev and Interior Minister Anatoliy Kulikov.

He said the withdrawal "has practically already started. A limited contingent of federal forces" left Sunzha District's Assinovskaya village last week, he said.

The chief Russian military spokesman in Chechnya, Ivan Yesyutin, told reporters the monitoring commission's Friday meeting had also reviewed the progress of the disarmament of Chechen forces.

The commission is to reconvene on September 19.

Lobov Views Local Election Problems

LD1509123395 Moscow ITAR-TASS in English 1203 GMT 15 Sep 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW September 15 (Itar-Tass) — The idea of holding in Chechnya a round-table conference with the participation of elders, political and public organisations will be winning over more supporters as the elections in Chechnya are drawing nearer. Oleg Lobov, representative of the Russian President in Chechnya, Secretary of the Russian Security Council, made this forecast in his interview to Itar-Tass on Friday. He will return to Groznyy not later than on September 18 to continue his mission.

Lobov said the emergence of such names that ex-speaker of the Russian Supreme Soviet Ruslan Khasbulatov and Former Chairman of the Supreme Soviet of the Chechen-Ingush Republic Doku Zavgayev is explained "by the growing interest of Chechen people in new leaders". Lobov believes that in this situation it is important to find a "non-confrontational way of their return to politics".

"The main task at present is to look for a legal formula for holding elections in Chechnya," he said.

Lobov believes the negotiating process in Groznyy will last "for quite some time." He is inclined to explain "slackness and caution" of the Chechen side at the talks by the fact that "mechanisms for social protection of those who are ready to lay down arms and engage in constructive work are not yet worked out." He believes it is necessary to form a special body for an early solution of this question.

Lobov believes there are two to four thousand armed people in Chechnya at present. Military experts note that some 60-70 thousand units of arms have been hidden and that the federal authorities are aware of the places where they are kept. "Making the last warning about arms surrender, the federal troops will then begin confiscating them in accordance with law," Lobov said.

Lobov Demands Accelerated Restoration

MK1609110295 Moscow SEGODNYA in Russian 15 Sep 95 p 2

[Report by Aleksandr Bekker: "Oleg Lobov Demands That Chechnya Be Restored at a Quicker Pace. Oleg Soskovets Is Ready To Put the Finance Ministry at Agencies' Mercy"]

[FBIS Translated Text] Upon his return from Chechnya, Oleg Lobov said yesterday at a meeting of the State

Commission for the Restoration of the Economy of the [Chechen] Republic: "If things continue to go at the pace they are now, the restoration will take 20 years." He passed on instructions from the president, with whom he had conversed for an hour and a half in Sochi, to do everything possible and impossible so that restoration work can be completed in a shorter time. Heads of agencies, speaking in the Oval Room of the [Russian] White House, hastened to assure their chiefs that this was precisely the line they were striving to pursue. Yuriy Korsun, deputy fuel and energy minister, said that 33 of 39 [power] substations had already been put into operation. Albert Marshev, deputy construction minister, noted that 19 schools for 14,000 pupils had been prepared for the new school year, three hospital with 915 beds had been repaired, and 405,000 square meters of housing, out of 600,000 planned, had been restored as of September.

At the same time, speakers emphasized that poor funding is slowing the work down and reducing its volume, whereas wage arrears, which had been accumulating since June, are heightening tension in the working teams. State Committee Chairman Oleg Soskovets promised to put the Finance Ministry at the mercy of heads of ministries and agencies performing restoration work in Chechnya. Someone in the audience exclaimed: "Petrov off to Chechnya!" The author of this remark probably believed that exile to the Caucasus would bring the first deputy finance minister to reason and make him open the ministerial coffers.

A wounded Vladimir Petrov, however, said that there were no hoards in Ilyinka Street [Finance Ministry], and "capital expenditures on Chechnya have already amounted to one-fourth of all state investment allocations." He said that the restoration program on the whole was being fulfilled, "but the budget is not made of rubber," and, in addition, the ministry owes 2 trillion rubles to the Pension Fund. The failures in budgetary funding were further aggravated by the disruption of commercial banks' credits to Chechnya, which were undermined in late August by the crisis on the interbank credit market. Mr. Petrov recalled that the Finance Ministry from the very outset had been against relying on authorized banks.

Having perceived Mr. Petrov's words as an attempt to justify himself, Mr. Lobov demanded that the audience be told how to remedy the situation rather than about the problems. Even a comment by [Finance Minister] Vladimir Panskov — "Do not make the Finance Ministry a scapegoat" — who tried to come to his deputy's rescue, did not help. Driven to his last line of defense, Mr. Petrov used his trump card: "Expenditures on Chechnya have not been legally sanctioned — they do not exist in the budget."

This remark somewhat eased the tension, although the Security Council secretary [Lobov], with Mr. Soskovets' support, continued to insist on the need "to change the approach to restoring the [Chechen] republic's economy — to proceed not from capabilities, but from requirements." In light of such directions, the Finance Ministry promised to pay 170 billion rubles to cover wage arrears within the next few days and to try to provide funds for work scheduled for September, worth 1.1 trillion rubles. The first deputy premier commissioned Mr. Panskov to find a common language with Mrs. Paramonova so that the Central Bank will finally open a cash center in Chechnya, for want of which it takes two weeks for payments to reach Chechnya. The collapse of commercial banks' credit policies in Chechnya has brought the state commission to the conclusion that the list of authorized banks needs to be reconsidered.

Lobov Comments on Khasbulatov, Zavgayev

LD1609125595 Moscow INTERFAX in English 1209 GMT 16 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 16 (Interfax) — Ruslan Khasbulatov and Doka Zavgayev have been increasingly popular in Chechnya and "can become new national leaders," Presidential Envoy in the Chechen Republic Oleg Lobov believes.

He told an Interfax interviewer that one of the main short-term tasks for political forces in Chechnya would be a search for the optimal form of preparing and holding elections in the republic.

Chechnya has ten parties today, and there are plans to organize a round table conference that would represent the whole political spectrum of Chechen society, Lobov said, adding that as the election date got nearer, the significance of such a forum would grow.

Speaking about the situation in Chechnya, he noted that it had been gradually returning to stability. National Rebirth Government has been continuing to form bodies of state power. The republican Interior Ministry is staffed with 7000 officers, police is setting up a tax collection unit, judicial bodies are beginning to work.

As reconstruction effort gains momentum in Chechnya, "a wave of meetings will gradually ebb away, and passions will wane," Lobov forecast.

Government To Request More Restoration Funds

LD1609163695 Moscow INTERFAX in English 1547 GMT 16 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 16 (Interfax) — The Russian government intends to request the State Duma to approve an additional 5 trillion-ruble expenditure on restoring Chechnya's economy and social infrastructure, Russian First Deputy Prime Minister Anatoliy Chubays told Interfax in an exclusive interview.

Chubays said the government planned to obtain this sum from the budget's additional revenues. He stressed that the money would not be spent on military actions in Chechnya but would be used for reconstructing the Chechen economy.

He said the Russian government's activity for this purpose was "gigantic." Chubays repeated that the governmental commission led by Russian First Deputy Prime Minister Oleg Soskovets was coordinating the implementation of many tasks, including the construction of running water systems, power networks, water storages and transport networks in Chechnya.

Chubays said the government planned to organize in Groznyy either tram or trolley-bus traffic. He said "this costs money which was not fixed and could not have been fixed in the '95 budget. That is why we will request the State Duma's permission to spend about 5 trillion rubles from additional revenues, which we already have, on restoring the Chechen economy."

As it was previously reported, Russian President Boris Yeltsin instructed the government to resolve problems regarding the financing of the restoration operation in Chechnya after his meeting with his envoy in Chechnya, Russian Security Council Secretary Oleg Lobov.

Basayev Threatens Further Bloodshed

LD1609125395 Moscow INTERFAX in English 1209 GMT 16 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 16 (Interfax) — Shamil Basayev whose terrorist squad held a large group of residents in Budennovsk, Stavropol region, hostage has declared that "if Russia, its President Boris Yeltsin with his entourage do not stop unprecedented genocide against a whole nation (in Chechnya - IF), no Omega, Alfa, or Vympel units will help to save that country from retribution."

There will be "a sea of innocent people's blood" he has declared in an interview with a correspondent of the weekly newspaper Groznenskiy Rabochy. The interview, reportedly taken in a Chechen mountain area a few days ago, is frontpaged in the latest issue of that paper which came in for sale in Groznyy on Friday. The material is supplied with a photograph of Shamil Basayev, standing in his blotchy uniform with a portrait of Dzhokar Dudayev at the background.

Basayev stresses that his dream is "a free, independent Chechnya."

"As long as just one Russian soldier is on Vainakh soil, peace and calm will be incomplete," he declared.

"At Groznyy talks on Chechnya's political status, the Russian negotiators will hardly want to recognize the Chechen republic of Ichkerya as a sovereign state de jure, but that must be done de facto", Basayev said.

"For two centuries of relentless struggle for freedom and independence, the Chechens have earned full sovereignty" Basayev stressed, adding that he excludes from the Chechen nation "the five scores of puppets with Chechen roots."

He repeated that his unit had never intended to capture no other place but Budennovsk in June. "We had to advance closer to the heart of Russia. I wish we would have reached it," he said, explaining that the unit "had miscalculated its financial capability. That operation cost us $25,000."

He and his people launched that "raid of despair "for the sake of stopping the slaughter in Chechnya." "We went for gazavat to win freedom and independence for Chechnya," he stressed, voicing conviction that "Russia will have" to stop the war and withdraw its troops "from Vainakh land."

He disclosed that during the raid into Budennovsk, he personally had 1700 AKS cartridges, 11 hand grenades, five kilograms of TNT, three Mukha grenade throwers, 152 Stechkin pistol cartridges. "The rest of my soldiers were armed exactly the same," Basayev said.

The Chechen field commander also reported that "after the Budennovsk operation he rested in a hotel of Russia," where he heard a media report that he was allegedly in Pakistan (Basayev's presence in Pakistan was reported to journalists by the chief Russian negotiator in Groznyy Arkadiy Volskiy with reference to information from OSCE [Organization for Security and Cooperation in Europe] leadership - IF).

According to Basayev, he meets with Dzhokhar Dudayev "as the need arises."

30-year-old Brigadier General Shamil Basayev leads a reconnaissance battalion and commands forces, protecting the state frontier of the Chechen republic - Ichkerya. Besides, he is in charge of so-called "Volunteer Caucasus Confederation Army."

Rebels Step Up Attacks, Sabotage

LD1709113995 Moscow ITAR-TASS in English 1111 GMT 17 Sep 95

[By Valentin Pavlov]

[FBIS Transcribed Text] GROZNYY, September 17 (Itar-Tass) — Federal troops in Chechnya came under rebel fire 13 times over the past 24 hours, a spokesman for the command of federal troops, Ivan Yesyutin, told Itar-Tass today.

The assaults were especially heavy in the Bamut area and in Groznyy.

Two servicemen were killed and 13 wounded by fire.

Chechen rebels also stepped up saboteur actions, mining roads which lead to Russian roadblocks.

Two interior troop soldiers were hit by a mine blast as they were returning to their unit after a field mission.

Two army servicemen were wounded by a mine planted at a stationing site of a federal unit.

The federal command is investigating an explosion which caused fire at an arms dump of an interior brigade in Groznyy.

Udugov Cited on Latest Russian Bombing

LD1709152495 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1230 GMT 17 Sep 95

[FBIS Translated Text] "Three people died and eight were wounded as a result of yesterday's bombing," Movladi Udugov, minister for the press and information in Dzhokhar Dudayev's government, said in an interview with the Ekho Moskvy radio station. "Two people from the village of Roshni-Chu died and one from Digi-Chu."

Udugov said that the co-chairman of the special monitoring commission, General Aslan Maskhadov, and the leader of the Chechen delegation, Khozhakhmed Yarikhanov, are at present in the village of Digi-Chu.

"During the evening of 16 September and practically the entire night, Russian Grad and Uragan missile launchers made artillery and rocket attacks on the villages of Bamut, Yandi, and others," Udugov stressed.

Udugov's Statement Called 'Provocation'

LD1609150795 Moscow ITAR-TASS World Service in Russian 1425 GMT 16 Sep 95

[By ITAR-TASS correspondent Valentin Pavlov]

[FBIS Translated Text] Groznyy, 16 Sep — A high-ranking spokesman for the command of the federal forces in Chechnya has denied a statement made by Udugov, Dudayev's "minister of information," that Russian helicopters shelled Shali and other Chechen villages during an hour and a half today.

Asked by an ITAR-TASS correspondent to comment on Udugov's statement, which was released by a number of Western agencies, the spokesman said: "Russian servicemen neither bombed nor shelled Chechen villages today. The statement by Dudayev's minister is an out-and-out provocation."

Desertion an 'Enormous Problem'

LD1709203795

[FBIS Editorial Report] Moscow NTV in Russian at 1700 GMT on 17 September in its "Itogi" program carries a four-minute video report by Aleksandr Abramenko on the views of Russian soldiers in Chechnya.

Abramenko begins: "Most soldiers and officers of the federal troops in Chechnya are quite skeptical about the politicians' peace initiatives." He adds that they base their view on military intelligence reports that in the mountains Dudayev's fighters are actively preparing for battle, and they consider the slow pace of disarmament another indicator of the Chechen side's intentions.

The report then shows Vladimir Belyatskiy, commander of a motor-rifle brigade, stating: "You know that out of 83,000 [weapons], hardly more than 1,000 have been surrendered. That is, it is a sheer pretense that the bandit formations are disarming. We are running on the spot, you might say. Of course, we understand that there is nothing good ahead of us."

Commenting on this statement, Abramenko says: "This is characteristic of the mood of many officers and men of the 205th Motor-Rifle Brigade, which according to its command has the most difficult role." He adds: "It is this brigade, with an internal troops subunit, that will remain in Chechnya after the planned withdrawal of the whole Russian military group."

Abramenko goes on to report that the military continues to suffer losses despite the cease-fire, adding that over the past week 30 more Russian officers and men were killed in Chechnya, mostly in nighttime attacks on Russian positions in Groznyy and nearby districts.

Abramenko then discusses the problem of desertion: "Desertion has become an enormous problem for the Russian Army in Chechnya." He adds: "Over the past three months, more than 160 soldiers have gone absent without leave from the 205th Brigade alone. Most often they do not return from leave, preferring either to hide from representatives of the Ministry of Defense or agree to a transfer to another unit, which as a rule is far away from Chechnya and near home."

The report then airs comments by Oleg Babykin, deputy head of the staff for educational work. Babykin says that wealthy parents are able to exert "moral or financial" pressure to have their sons transferred elsewhere while the sons of poorer parents have to complete their service in Chechnya. He concludes: "That is, there is a division between black and white."

Abramenko then comments: "Officers believe that such trends do not help maintain a higher, moral spirit in the army." He concludes: "The depressed mood is even affecting officers, who are little comforted by the higher pay benefits here. Moreover, the fact that it has not yet been explained to them whether they have won this war or lost it is another serious irritant. More than anything, the idea gnaws at them that in the final analysis this war may be recognized to have been a mistake and the sacrifice of their comrades in vain." [Video shows brigade training, washing, and eating]

Lobov Returns to Groznyy 18 Sep

LD1809070695 Moscow ITAR-TASS World Service in Russian 0641 GMT 18 Sep 95

[By ITAR-TASS correspondent Valentin Pavlov]

[FBIS Translated Text] Groznyy, 18 Sep — Oleg Lobov, a special envoy of the president of the Russian Federation to the Chechen republic and the chairman of the Security Council, arrived in Groznyy today. He told correspondents at the Groznyy airport that his main aim is to implement decisions made by the government commission at its session in Moscow. Its latest session last Thursday discussed the restoration of the social infrastructure of the Chechen republic and the implementation of the Russian president's decree on paying compensations to the victims of combat operations in Chechnya.

Further on Lobov's Return

LD1809124995 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 18 Sep 95

[FBIS Translated Excerpt] Oleg Lobov, the Russian president's personal representative in the Chechen republic, arrived in Groznyy today. Correspondent Ramazan Khadzhiyev reports:

[Khadzhiyev] Immediately upon his arrival, Lobov convened an extraordinary conference. It was attended by members of the Security Council apparatus, and Nikolay Semenov, the leader of the territorial administration of the federal power bodies in Chechnya. Lobov stressed that effective measures, primarily political, are needed to stabilize the situation in the republic. Questions of a socioeconomic nature remain acute. Essential aid will be provided to the republic, but the local industrial potential must also operate for the benefit of the federal and republican budget. The crime situation in Groznyy and other population centers demands a serious approach to the formation of republican law enforcement bodies. [passage omitted] [Video shows Lobov in talks; army checkpoints]

'Fierce Fighting' Reported in Groznyy

LD1809073795 Moscow ITAR-TASS World Service in Russian 0654 GMT 18 Sep 95

[By ITAR-TASS correspondent Valentin Pavlov]

[FBIS Translated Text] Groznyy, 18 Sep (ITAR-TASS) — The positions of the federal troops in Chechnya came under rebels' fire 20 times during last night. There was a fierce fighting in Groznyy and in the direction of Bamut. As a result one serviceman was killed and eight were wounded. Fire was returned by the federal troops units.

According to the press-service of the joint group of Russian federal troops in Chechnya the rebels have intensified their attacks. A van, heading for one of the military units, was fired at from a hidden position point-blank on the Staropromyslovskoye shosse in Groznyy on Sunday evening. Four servicemen were wounded and one of them died on the way to a hospital.

'Dangerous Imbalance' Seen in Withdrawal

MM1409151795 Moscow KRASNAYA ZVEZDA in Russian 14 Sep 95 p 1

[Report by Vladimir Gavrilenko and Anatoliy Stasovskiy: "Withdrawal of Federal Troops From Chechnya Has Started: Dangerous Imbalance Emerging"]

[FBIS Translated Text] "The women shouted 'Hoorah!' and threw their bonnets in the air." This expression of Griboyedov's, like many others from his play "The Misfortune of Being Clever," has become proverbial.

There was a time when the sight of soldiers induced sincere and appropriate feelings in people. Today, however, everything is quite the opposite. What is the attitude toward the troops who stopped the criminal misrule in Chechnya, who kept the republic within Russia's state domain, and who are now leaving as a sign of goodwill, placing the fragile peace in the hands of the Chechens themselves? Instead of bonnets it is grenades and bullets, usually fired into the back at night, while the shouts, if there are any, are curses and promises of revenge rather than joy.

The need to withdraw the troops is indisputable, since this is in execution of the accords reached. But this withdrawal should be not just politically useful and necessary but also timely and appropriate in both its form and content. Where is the guarantee that the "voids" created will not immediately be filled by Dudayev's fighters? There are simply no guarantees, because it really is happening — those who only yesterday were resisting those units and subunits are triumphantly brandishing assault rifles — assault rifles surrendered only yesterday — at the military. And it cannot be ruled out at all that Dudayev's authority will be restored thanks to those same assault rifles. Might not the troop withdrawal incite the gunmen to repeat the "Argun episode"?

Let us ask yet another important question: Is the contribution to fulfilling the agreements by the Chechen and Russian sides of equal value? Are the withdrawal of two full-blown combined units of the Russian Federation Internal Troops — the Sofrinskaya Spetsnaz Brigade and the "DON" operational division — and the surrender of a few dozen assault rifles equivalent in terms of their significance, weight, and consequences? All this gives you the feeling that they are again trying to lead us by the nose. Perhaps the Russian delegation at the talks in Groznyy will become disconcerted by the growing imbalance in the implementation of the agreements on military questions? Otherwise, the already difficult and contradictory situation in Chechnya could get completely out of hand.

Economic Issues

YUKOS Leaders Discuss Development Plans

MK1609074795 Moscow KOMMERSANT-DAILY in Russian 14 Sep 95 pp 1, 9

[Report by Aleksandr Tutushkin: "Oil Producers Seek Centralization"]

[FBIS Translated Text] The government's early September decrees, which ultimately defined the composition of the majority of Russian oil companies, allowed the "oil generals" to switch from struggling behind the scenes in the corridors of federal power to performing their direct duties in managing the structures under their jurisdiction. Thus, YUKOS directors, inspired by the fact that the government after long vacillation has at last satisfied their ambition to have the company expanded, held a news conference at the Radisson-Slavyanskaya Hotel yesterday. Those present were told of plans for YUKOS's development and about some changes in its leadership that became possible after the company makeup was approved.

The main thing that YUKOS has sought in the months-long process of company formation is that the Samaraneftegaz joint-stock company be included in its structure, which happened to the mutual pleasure of both sides. While de jure the amalgamation has just now occurred, de facto it happened back in April, when Samaraneftegaz General Director Viktor Kazakov was elected YUKOS first vice president. At the time, all of YUKOS's plans were already based on the assumption that the Samara enterprise would be incorporated into it. Subsequently, however, the Fuel and Energy Ministry leadership's behavior made it doubtful that this incorporation would come off, and therefore Kazakov in no way showed himself in his new capacity, continuing to manage Samaraneftegaz. It is only now that his second birth as first vice president has materialized. It was announced at the news conference that Kazakov has resigned as head of Samaraneftegaz.

Viktor Kazakov's new duties include management of five areas overseen by respective company vice presidents: oil extraction, oil refining, oil product sales, geology, and science-and-technology policy.

YUKOS President Sergey Muravlenko told the news conference (and Kazakov's appointment confirms his words) that one of the company leadership's main lines of work was to centralize the management of all its structures. It is understandable that in practice this means that all profits will be accumulated in the company's front office and that all enterprises will be run on budgets also drawn up there. Still, YUKOS does not seem to have worked out a conception for such a transition yet. One option is the idea, which emerged in April, to create YUKOS-Samara, a joint-stock company that was to comprise all of YUKOS's enterprises in Samara under Kazakov's leadership. According to information in our possession, this plan was actively supported by the oblast administration. Now, however, the YUKOS leadership apparently has doubts that such a powerful structure will lend itself easily to management from Moscow. In any event, Kazakov told your KOMMERSANT-DAILY correspondent that this question would still be on the agenda for two or three months and he could not say what specific decision would be made on it. To all appearances, YUKOS will seek to improve manageability not through amalgamation, but through breaking up its structure into smaller units. Evidence of this is a plan to divide the company's head enterprise — the Yuganskneftegaz joint-stock company — into several joint-stock companies at the level of its subdivisions. According to Muravlenko, there are several approaches to this problem in the company, and a final choice may be made at a board meeting on 23 September.

International Affairs

Udovenko Comments on Meetings With NATO

LD1609205195 Kiev UNIAR in Ukrainian 1830 GMT 16 Sep 95

[FBIS Translated Excerpt] Kiev — Ukrainian Foreign Affairs Minister Hennadiy Udovenko met Ukrainian and foreign journalists at the invitation of the National Press Club on 16 September.

The main subject of the meeting was Ukraine's Partnership for Peace program with NATO. During the meeting the minister replied to a number of questions on topical foreign policy issues.

Hennadiy Udovenko (introductory remarks): [passage omitted] The trip to Brussels was a planned one, and of a multifaceted nature. The main thing was the NATO council meeting on the so-called "16 + 1" formula. We presented Ukraine's so-called individual Partnership for Peace program. This program was drawn up in Ukraine in connection with the fact that Ukraine has been a Partnership for Peace participant. The program was mainly drawn up by the Foreign Affairs and Defense Ministries, but many other ministries, departments, and institutions were involved, for example, the Finance and Economy Ministries. On the one hand, I would have liked this meeting to have taken place in July. It would have meant less of a negative reaction from Russia for us. Now we are at the very peak of criticism of NATO actions by Russia. However, this shows that Ukraine has its own foreign policy course. Incidentally, I spoke at the council on the necessity of improving relations with Russia, nevertheless, and not relapsing into the Cold War, which will benefit neither NATO nor Russia, still less Ukraine, because, whatever the case, whether some of our politicians like it or not, we ought to take into account the Russian factor. Therefore I said at the consultation: "Although neither Russia nor you are asking me to be a mediator, Ukraine is ready to play a mediation role in relations between NATO and Russia.

All of the NATO members praised the very fact of Ukraine's participation in the Partnership for Peace program. We openly stated our nonaligned status. Our cooperation with NATO absolutely does not mean that Ukraine intends to enter NATO, but we want to actively cooperate within the framework of this program and beyond it. We proposed that NATO establish a special partnership with Ukraine. We did not insist on this. As a result of our stay there, a joint communique of the NATO council and Ukraine was adopted. This was the first such joint communique.

I think that we are not exaggerating Ukraine's significance in resolving the Yugoslav conflict. We do not want to upstage anyone but we are proposing Kiev as the most objective capital of the most objective state in the Yugoslav conflict. We are not taking one side or another and do not want to assume, for example, the role of chief peacekeeper. We have joined the resolution of these conflict situations rather late...

Returning to NATO, to the conflict in Yugoslavia, I want to say that we are not exaggerating our influence, but we are consistent. We received Serbian Prime Minister Mirko Marjanovic. Our president wrote a message to the presidents of Serbia, Yugoslavia, Croatia, and Bosnia-Herzegovina. We have already received a letter from President Franjo Tudjman, giving his opinion on participation in a peacekeeping conference, if one takes place in Kiev. I repeat that this does not mean that we have some idea that we could now play a constructive role. The United States plays the most constructive role and is conducting negotiations. However, we are going to offer our forces too. We are taken account of.

Political issues with the European Union have already been resolved. There is now no doubt at the European Union of Ukraine's development and cooperation, and no-one in Ukraine now doubts that the European Union is a force; we ought to cooperate with the European Commission. We are going to set up a fairly strong permanent mission and develop our relations.

Butrus-Ghali Views UN Tasks, Debts, Migration

AU1709172895 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 12 Sep 95 p 3

[Interview with UN Secretary General Butrus Butrus-Ghali by UKRINFORM Agency; place and date not given: "I Greet Ukraine — One of the United Nations Founder States"]

[FBIS Translated Text] [UKRINFORM] On the 50th anniversary of the United Nations, we have something to celebrate, but we also have something to ponder. Some people, watching the humiliation of the United Nations in Bosnia and difficulties it encounters in other regions, believe that the fate of the League of Nations is awaiting it. What must be done to correct the situation, so that such a judgment of history could be prevented in the case of the United Nations?

[Butrus-Ghali] Indeed, we have something to celebrate as we mark the 50th anniversary of the United Nations. However, we must also take this opportunity to examine new ways of global cooperation. Today, enormous possibilities are opening up for joint actions by various states. The world is no longer divided into two opposite camps. To an unprecedented extent, technological innovations have expanded our possibilities for practical global cooperation. At the same time, the end of the Cold War has brought about a period of material, social and political unbalance. Today we are confronted with acute problems such as shortages of resources, ecological degradation, and natural disasters. States cannot cope on their own with such problems as mass migrations, diseases, or economic instability. Furthermore, many states are trying to achieve security within a narrow framework of ethnic isolation. This has caused additional conflicts in those very same states.

In view of this, we are faced with a twofold task. First, we must take into account past achievements, including the experience with the League of Nations, and on the basis of this — five decades after the creation of the United Nations — we must enter a new era of international cooperation.

Second, we must be prepared to cope with the tasks and changes with which the new era is confronting us. To achieve this we have to modernize the mechanism that we have inherited. We need a strong and efficient United Nations. The commonwealth of nations needs an essentially new vision of the international system — the role of citizens in their state and the role of the state in the international community. Fifty years ago, when inadequacy of the former ideas and procedures became obvious, states that were members of the United Nations worked out a new approach to international relations. Today it is equally important to find the ideological framework within which the entire mankind can develop. This is the task for everybody. We have to create a new world.

If we are successful in resolving this problem, then, despite all criticisms and difficulties, the United Nations will fulfill its main task, and the fate of the League of Nations will not befall it.

[UKRINFORM] In recent years more and more frequently rifts or conflicts with dangerous and widespread consequences for regional peace and stability have flared up within the borders of sovereign states rather than between them. Within the CIS region we can cite Chechnya, Abkhazia, the Crimea, and the Dniester Region. Will the United Nations be able to deal with this growing challenge on its own or will it have to shift the task of settling conflicts and the activity on maintaining peace to regional organizations in charge of security, such as the OSCE [Organization for Security and Cooperation in Europe]?

[Butrus-Ghali] Right, new types of conflicts have recently emerged, conflicts that are new both from qualitative and quantitative points of view. In many cases the United Nations is asked to take action. These conflicts can create unprecedented problems and often solutions can be found only for a specific problem. The UN resources and mandates are often insufficient to enable it to fulfill the tasks it is confronted with. Nevertheless, the United Nations always tries to gain a better understanding of these threats to peace, trying to find more efficient ways of dealing with them, learning from mistakes, and benefitting from the past experience.

Conflicts within the CIS territory are similar in character. The United Nations is profoundly interested in settling them and makes full use of its mandate, accorded by the Security Council, to carry out its peacekeeping mission within the CIS. The personnel of the United Nations and the CIS peacekeepers cooperate successfully. There is positive cooperation between us in Georgia, and efficient cooperation in Tajikistan. Last year I visited Armenia and Azerbaijan. These two countries know that we are ready to offer our services.

In connection with operations for maintaining peace, we closely cooperate with the OSCE, which plays an important role in strengthening security and cooperation on the continent. Moreover, there exists a certain "division of labor" between the United Nations and the OSCE in their efforts to prevent or settle regional conflicts. In former Yugoslavia we act in partnership with the NATO and our duties are divided as follows: NATO is responsible for the Air Force and the United Nations for ground troops.

Functions for resolving conflicts and for peacekeeping activity cannot be granted to a single organization because they require joint and decisive efforts by all international bodies and by the entire international community.

[UKRINFORM] How do you assess Ukraine's present and potential role in the United Nations?

[Butrus-Ghali] I value very highly Ukraine's important role and significant contribution to the United Nations. Your country was one of the founders of the United Nations and became an equal member of the United Nations 50 years ago. Ukrainian participation in the United Nations activity has its history. Now a new period in this history is unfolding. Following the disintegation of the USSR, Ukraine has become one of the new independent states. Accordingly, it has become an equal and independent member of the commonwealth of nations. Therefore I am happy to welcome Ukraine and the other new member states as well.

The United Nations will pay them as much attention as any other country of the world. That is why, if problems arise in member states, we must help resolve them, and it is precisely for this purpose that we have opened missions representing various institutions in a number of former Soviet republics, where we ensure the presence of the United Nations. A temporary mission of the United Nations is hosted in Kiev. We hope for more extensive cooperation with Ukraine and other new independent states. We also hope that, as a result of such extensive cooperation, Ukraine will be able to assist the United Nations. We already see an example of such cooperation: the presence of Ukrainian subdivisions within the UN forces in the former Yugoslavia.

I have authorized Ambassador Vladimir Petrovskiy, a Russian citizen who is deputy secretary general and general director of the United Nations division in Geneva, to give special attention to cooperation with all republics that were members of the former Soviet Union and to promote contacts between them and the United Nations.

As far as the United Nations is concerned, Ukraine is unique and important. I am sure that, in the near future, we will strengthen our relations, especially in the area of information.

[UKRINFORM] Two sensitive questions are often raised in Ukraine. The first regards the amount of "membership dues" that Ukraine must pay to the United Nations. There is the opinion that this country's present economic difficulties, caused by the collapse of the Soviet economic system and by the ensuing movement toward independence and market economy, not to mention expenditure on the cleanup operations following the Chernobyl nuclear accident or losses it has sustained as a result of adherence to the economic sanctions against former Yugoslavia, are probably not fully taken into account. Second, the impression arises that Ukrainians and representatives of other independent states, with the exception of Russia, are inadequately represented in structures and personnel of the United Nations. Can such a situation be gradually rectified?

[Ghali] I am well aware of these two problems. The system of determining the size of contributions by member states to the UN budget is subjected to criticism on the part of a number of countries. Ukraine also subscribes to these expressions of criticism, and I quite understand your country's problems and hardships that are primarily associated with the difficult transitional period. Undoubtedly, the nuclear accident in Chernobyl and its severe consequences for Ukraine are a subject for special attention on my part and on the part of the United Nations. The organization has been doing everything it can, using various channels and assistance programs to support your efforts in resolving these problems. As for the crisis in the former Yugoslavia, all member states must fulfill UN Security Council resolutions.

Speaking about Ukraine's "membership dues," I would like to point out that they were recently reduced from 1.87 percent to 1.49 percent of the budget. Further possible reduction must be discussed and decided upon by member states. At the same time, I would like to recall that Ukraine has, so far, failed to make its full regular contribution to the budget. Your country is the third biggest debtor among the member states (after the United States and Russia), and it owes the organization about $200 million. Member states must fulfill their financial commitments.

By the middle of 1995, member states owed the United Nations a total of $2.65 billion. Only 48 countries have paid their contributions in full to the regular budget. This exacerbates the financial crisis of the organization, which also has debts amounting to about $1.5 billion. The United Nations continues to function only thanks to the timely payment of dues by a small number of member states. At the same time, the United Nations' present activity is becoming more varied, large-scale, and costly.

Thus, I am compelled to resort to dubious methods of financial management, as I am authorized to spend funds I do not have, without any guarantees that the necessary funds will be procured. If this state of affairs prevails, the United Nations will be threatened with bankruptcy and, along with this, with a danger of collapse of the entire worldwide structure that we have created over 50 years.

It is precisely for that reason that the United Nations needs urgent help on the part of its member states for resolving this problem. I am grateful to the General Assembly, which has responded to my concern expressed in my statement on 12 October 1994 by creating a high-level working group to look into the financial situation; its composition remains open. This group has been working since January 1995 to consider all aspects of the problem, including a number of issues associated with the creation of a rational system for dividing the expenditure of the United Nations.

In what concerns the second problem, it is true that some new independent states (with the exception of Russia) are underrepresented in the organization. Ukraine is also underrepresented to some extent. We are fully aware of our own problems and of those of member states and are trying to rectify this situation.

[UKRINFORM] The UNHCR, jointly with the OSCE and the International Organization of Migration are jointly preparing a major international conference to discuss issues related to refugees, people forced to migrate, former deported people, and other types of population resettlement within the CIS. How do you assess the importance of such an initiative?

[Ghali] Following the disintegration of the Soviet Union, thousands of people migrated from some former Soviet republics to others or across the entire region, trying to escape violence, economic difficulties, or political changes. The changing demographic trends, due to these mass migrations, have created tension and new problems for the CIS and neighboring states. The scope of the current mass migrations and the related problems are as follows: refugees and internal migrants, returning Russian population, "transit" migration, and return to historical homeland. As is known, about 280,000 Crimean Tatars have returned to Ukraine from Central Asia — they were deported there in 1944. In the near future, your country expects the return of another 220,000 persons. Even though these people are ethnically or historically affiliated with the "fatherland," their specific integration there creates problems.

In 1994, recognizing the complexity of the present population migration and the need for international efforts to promote the search for regional solutions to these problems, the UNHCR, jointly with the International Organization of Migration and the OSCE started addressing these painful and potentially destabilizing issues. It is planned to hold a comprehensive regional conference for problems of refugees, repatriates, displaced persons, and relevant migration flows in the CIS countries and corresponding adjacent states in 1996 in accordance with recommendations by the General Assembly made in 1993 and 1994. The final objective of this important process and of the conference itself is to look for ways of assisting the states in the region to overcome the consequences of such migrations. One of the tasks in this respect is to see to it that the international community respond to the appeal to grant humanitarian aid to the region's population in distress. Taking into account the transitional state in which many of these new states have presently found themselves, the question of "dividing the burden" is being actively discussed.

[UKRINFORM] Mr. Secretary General, the United Nations and you personally are held in very high esteem in Ukraine. Could we ask you, on the occasion of the organization's 50th Anniversary, to say a few words of greeting directly to the Ukrainian people?

[Ghali] I would like to express my respect for the Ukrainian people and my appreciation for their contribution to and role in the United Nations, as well as support for the organization in its efforts to achieve peace, progress, and democracy in the whole world. I count on strengthening our cooperation.

I wish your country and people forbearance and success in this difficult and painful period of transition to democracy and a market economy. I hope that, as before, the Ukrainians will take an interest in international problems, which are our common cause. The United Nations and the world need Ukraine's assistance and support. Today, the entire international system is in a transitional stage. We must assume this joint responsibility and build a new world.

I wish the Ukrainian people a happy future and every success in our common cause.

Council of Europe Secretary General Ends Visit

LD1609075295 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 16 Sep 95

[FBIS Translated Text] Daniel Tarschys, Council of Europe secretary general, has ended his visit to Kiev. In the course of his short stay in the Ukrainian capital, Daniel Tarschys, a leader of this at present 36-member Europe-wide authoritative organization, took part in a ceremony to open a Council of Europe Information and Documentation Center, met Ukrainian President Leonid Kuchma, Supreme Council Chairman Oleksandr Moroz, and Foreign Affairs Minister Hennadiy Udovenko.

At a news conference at Boryspil airport shortly before his departure for the Council of Europe headquarters in Strasbourg, Daniel Tarschys spoke about the outcome of these meetings and his impressions from this visit. He reaffirmed that he did not make any connection between the processes and dates of entry to the Council of Europe by Russia and Ukraine, with a Council of Europe Parliamentary Assembly session to consider the latter country's application on 26 September.

He pointed out that Ukraine should pass its new Constitution as soon as possible. The Council of Europe is rendering the necessary assistance to the Ukrainian legislature in its work on the Constitution.

Kuchma: Constitution Referendum Possible

LD1509165295 Kiev UNIAN in Ukrainian 1520 GMT 15 Sep 95

[FBIS Translated Text] Kiev — At a meeting on 15 September with a Council of Europe delegation, led by Secretary General Daniel Tarschys, Ukrainian President Leonid Kuchma said that "it is possible that work on the text of the country's new constitution could be completed and a referendum held." UNIAN learned this from presidential press secretary Mykhaylo Doroshenko. According to Leonid Kuchma, Ukraine needs a new constitution above all for political stabilization in the state.

During the dialogue with the Council of Europe representatives, the president emphasized that hoonoring human rights is a priority for Ukraine. He also recalled that Kiev has successfully dealt with the Crimean problem.

Leonid Kuchma noted that once Ukraine has been accepted into the Council of Europe, it will fulfill its obligations with dignity.

Daniel Tarschys said he is convinced that Ukraine is clearly adhering to a European orientation and could occupy its proper place in European structures.

Russians Said Taking Equipment From Black Sea Base

LD1609164895 Moscow INTERFAX in English
1547 GMT 16 Sep 95

[FBIS Transcribed Text] Sevastopol, Sept 16 (INTERFAX-UKRAINE) — The commander of Ukraine's naval air service said on Friday the Russian Black Sea Fleet was removing equipment from the Mirnyy air base without waiting for a final accord on the base by Ukraine and Russia.

The base, located in Donuzlav, Crimea, is part of the Black Sea Fleet, which Ukraine and Russia have agreed to divide between themselves. Under a final agreement on Mirnyy, half of the base's aircraft and equipment are expected to go over to Ukraine and the rest to Russia.

"Unless the Black Sea Fleet hands over to the Ukrainian navy the Mirnyy air garrison soon and in a civilized way, it (the garrison) may share the fate of the first-rate Vesyoloye airfield of the Black Sea Fleet, which has been plundered and put out of commission, while people living in the village have been left without work and means of subsistence," the air service commander, Major General Nikolay Volovin, told reporters in Sevastopol.

He said the Black Sea Fleet intended to disband all Mirnyy units by October and in a few days dismiss all the civilian employees of the base, including its security personnel. "This means the (base) infrastructure will be totally cleaned out," he said.

He denied reports that a center for training naval pilots in Saki, Crimea, turned over to Ukraine some time ago, had been put out of service. He said that currently the center was training Russian pilots for the aircraft carrier Admiral of the Fleet Nikolay Kuznetsov.

Dates for U.S.-Ukrainian Joint Exercises Announced

MM1809095895 Moscow KRASNAYA ZVEZDA in Russian 16 Sep 95 p 1

[Report by Vladimir Bogdanovskiy: "U.S. Landing in Ukraine's Fields"]

[FBIS Translated Text] Lvov — Ukrainian-U.S. military exercises are going to be held from 30 September through 13 October in Ukraine. They will be based at the Air Mobile Forces' training center in the city of Khyrov in Lvov Oblast.

Subunits of the Ukrainian Air Mobile Forces and the U.S. 82d Airborne Division will be involved in the exercises.

Foreign Minister Addresses U.S. Jewish Group

WS1809095095 Kiev INTELNEWS in English
0326 GMT 17 Sep 95

[By Hana Bezliudna, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Sep 16 — The emigration of 300,000 Ukrainian Jews to Israel is a great loss for Ukraine, Foreign Minister Hennadiy Udovenko said Saturday in an address to leaders of JOINT, a U.S. Jewish group that promotes the return of Jews to their ancestral homeland of Israel.

Udovenko said that Ukraine's loss would be Israel's significant gain.

JOINT was formed in the United States in 1914 to help Jews of Eastern Europe and Palestine, the group said. In the 1920s, JOINT took part in establishing Jewish agricultural communes in Ukraine until its activity was stopped by the Communist Party leadership.

Nowadays, JOINT provides humanitarian assistance to Jews of over 70 countries. Besides Kiev, JOINT has Ukrainian representation in Odessa and Dnepropetrovsk.

Udovenko said he generally shares the group's aims and work principles, but Ukraine is interested in Jewish participation in the development of several areas of Ukrainian society rather than seeing Jews leave the country.

Five years ago, Udovenko said, he would have been unable to make such comments since the totalitarian regime banned any mention about Jews' contributions to Ukraine. Information about JOINT had been exclusively negative in Soviet times, Udovenko said.

Now, JOINT receives much positive publicity regarding its assistance to revive Jewish culture in Ukraine. Only in an independent Ukraine does a possibility for development of Ukrainian culture as well as that of national minorities exist, Udovenko said.

Milton Wolf, JOINT ambassador from the United States, said that relations between Jewish organizations and the Ukrainian governmental structures have a positive character, especially during the presidency of Leonid Kuchma. Wolf said that familiarizing himself with the activities of Jewish organizations in Ukraine left him with a good impression.

Wolf gave high praise to the development of relations between Ukraine and Israel, especially after the visits by Udovenko in Israel and Israeli Prime Minister Yitzhak Rabin in Ukraine. Wolf also said there was progress in Ukrainian-American relations, particularly after the visit by U.S. President Bill Clinton to Kiev.

Foreign Ministry Welcomes Bosnia, NATO Cease-Fire

LD1509190095 Kiev UNIAN in Ukrainian
1630 GMT 15 Sep 95

[FBIS Translated Text] A Ukrainian Foreign Affairs Ministry statement circulated on 15th September states that the Ukrainian Foreign Affairs Ministry has welcomed the news of the Bosnian Serbs' agreement to withdraw heavy weapons beyond the 20 km zone around Sarajevo and of the halting of the NATO military operation.

It also expresses the hope that this development and the accords reached in Geneva on 8 September will be an important step toward a full cessation of military actions in this region. Ukraine once again confirms its proposal to hold a meeting of the leaders of the sides in the Yugoslav conflict in Kiev.

National Affairs

Kuchma Wants New Constitution by End of Year

LD1809104895 Kiev UNIAN in Ukrainian
0910 GMT 18 Sep 95

[FBIS Translated Text] Kiev [no date as received] — Ukrainian President Leonid Kuchma, addressing a session of the Constitutional Commission on 18 September, reaffirmed his belief — one which he expressed at a meeting with Daniel Tarschys, secretary general of the Council of Europe — that the new constitution could be adopted by the end of the current year. He emphasized the need to accelerate the drafting of the new constitution.

The president agreed with Oleksandr Moroz that it is necessary to educate people in the spirit of respect for state laws, and remarked that even in parliament "they are making statements to the effect that the Constitutional Agreement is not a law, and that it can be ignored."

Moroz replied that the agreement is "a certain convention established as a result of a political agreement and, therefore, it should be treated with respect."

Moroz on Drafting New Constitution

LD1809103495 Kiev UNIAN in Ukrainian
0910 GMT 18 Sep 95

[FBIS Translated Text] Kiev [no date as received] — The month following the current sitting of the Constitutional Commission will be the most important period in the course of drafting the new constitution, Supreme Council Chairman Oleksandr Moroz told a Constitutional Commission session held on 18 September. Moroz said all the chapters of the constitution should be drafted within that month, and a final decision made on the procedure for its adoption. A debate is taking place at the moment on whether the constitution should be adopted by referendum, at a constitutional assembly, or by the Supreme Council.

Moroz emphasized the need for "legal stabilization of the state," and, therefore, the need to accelerate the work on drafting the constitution. "The constitution should reflect the specific features of the present day, so that it will be not a result of a victory of one political force over another, but a result of their accord," the parliament speaker said.

Moroz pointed out the emergence of "a dangerous phenomenon of authorities working beyond the framework of the Constitution and the current legislation of Ukraine, which, in the absence of the new constitution, may result in a growth of this tendency."

According to UNIAN, the Constitutional Commission is considering the first chapter of the draft constitution, which Moroz described as "the quintessence of the entire constitution."

Marchuk Views Major Economic, Political Issues

AU1709154695 Kiev HOLOS UKRAYINY
in Ukrainian 13 Sep 95 pp 2, 6

["Topical" interview with Ukraine's Prime Minister Yevhen Kyrylovych Marchuk by Volodymyr Skachko in Kiev-Chyhyryn-Kiev; date not given: "There Will Be No Catastrophe...." — first paragraph is HOLOW UKRAYINY introduction]

[FBIS Translated Text] During his recent working visits to populated areas and enterprises in Cherkasy Oblast, Ukraine's Prime Minister Yevhen Marchuk answered questions on topical problems of Ukraine's foreign and domestic policy.

[Skachko] Yevhen Kyrylovych, Russian President B. Yeltsin stated that he would not arrive in Kiev until the Black Sea Fleet problem was settled and accused [Ukrainian President] L. Kuchma of deviating from the Sochi agreements. What is your attitude toward this?

[Marchuk] The Black Sea Fleet problem is as follows: The Russians and we prepared two draft agreements that have almost been brought to a logical completion. These are agreements 1) on the parameters of the Black Sea Fleet division and 2) on principles of mutual settlements. These agreements have been discussed twice at Cabinet of Ministers meetings, more specifically, at the Cabinet of Ministers Presidium session and at a Cabinet meeting. The significant difference in the Ukrainian and Russian approaches to the problem is the fact that, for Ukraine, it relates to issues of our territory and sovereignty and generates the problem of foreign troops' presence on Ukrainian land. Russia has to deal with none of these problems. There is no talk of Russian territory or of Ukrainian troops' deployment in Russia. That is why the Ukrainian side is very particular about having these agreements fully conform to Ukrainian legislature. This is one. Two, a decision on adopting such agreements must be adopted on a collective basis only.

When we drafted these agreements and focused on their practical implementation, we arrived, absolutely consciously and on a valid basis, at a conclusion that both agreements will not work unless there is an agreement on principles and mechanisms of mutual settlements.

Just imagine that we have adopted a decision on some facility "X" and start deciding what to do with it. Suppose it belongs to Ukraine or to Russia. For this, it is necessary to take the available documentation for this facility, determine its value, and clarify the principle of its assessment (there exist different principles). It is necessary to clarify the question of land, because it is not known on what principle the price of the land, occupied by the facility, should be assessed. There is a question of water areas and other constituents without which the two agreements will not work.

The agreement on the parameters of the Black Sea Fleet division has one article on Sevastopol. Our sides have not reached an agreement on this issue. I therefore ask myself and everybody: Are the sides able to resolve the Black Sea Fleet problem while they have not yet agreed on Sevastopol? In Sevastopol, there is some 89 percent of the entire Black Sea Fleet infrastructure. Ukraine's position here is staunch and invariable, and the president stressed this on several occasions. Our military experts, who, incidentally, graduated from the same military academies as their Russian colleagues did and even studied together with many of them, have prepared an essentially Ukrainian proposal in accordance with which we offer the Russian side 71 facilities that fully provide for normal functioning of the Russian Black Sea Fleet on the basis of lease for a specified period of time. The Russian side does not accept such an approach and states that all facilities in Sevastopol must be handed over to the Russian Black Sea Fleet. Therefore, differences even on this issue alone do not make it possible for us to proceed to an ultimate solution to this problem.

I can add to this that I do not see any deviation from the Sochi accords on the part of Ukraine or our president. On the contrary, the Ukrainian side repeatedly initiated and directed several rounds of talks at a level of experts to clarify the principles of mutual settlements and to resolve the Sevastopol problem. I hope that yet another such meeting will be held in the near future. I think that it will not be until points of view on these problems are brought at least closer together, that one will be able to say that the problem of the Black Sea Fleet is approaching its resolution in terms of its essence, form, and — the main thing — fundamental principles. For the sake of objectivity, I must say that the working groups of experts have made a substantial progress in the search for a compromise. The Russian side, too, has made some steps toward a compromise with the Ukrainian side (we, in turn, have made reciprocal steps).

Perhaps, the Russian side wants to do what suits it alone. This, however, will not do, because, I reiterate, it is a matter of issues that are of fundamental and state significance for Ukraine. Even despite the fact that this concerns Russia, our partner — in historical, cultural, and economic aspects.

As for Moscow's statements, I believe that the Russian election campaign has a lot to do with it. This we already went through, and more than once. We know what turns this may take. The caustic remarks against the Ukrainian president are totally groundless.

[Skachko] What are the prospects for the government program being approved by the parliament?

[Marchuk] When the government program was discussed at a Cabinet of Ministers session, heads of all state administrations and of the Crimean government were present there, including 36 people's deputies — heads of commissions and factions. Twenty-nine participants took part in the discussion, including 10 people's deputies and 10 heads of oblast state administrations. The discussion showed that the authors of the program — the government — had grasped the general trend in the country's development, because 80 percent of criticism had earlier been heard at the Cabinet of Ministers sessions and had been heeded prior to that government session. On 11 September, we formally submitted the amended program for the government actions to the Supreme Council. I do not want to forecast the prospects — this is up to the parliament. However, we are firmly convinced that, in the given stage, it is only a socially oriented program, yet involving complex and unpopular measures for restructuring our economy, especially in industry, as well as energy-saving measures, a corresponding reform in the Pension Fund, and — the main point — monetary and financial stabilization and increase in industrial production, that will extricate the country from its present situation.

We can, of course, opt for a populist method and resort to huge subsidies, but they will be wasted again, as was the case in the past. Unless we reform our power engineering and production, but in a sensible manner — with social preventive measures — and unless we launch the mechanism of bankruptcy that may lead to a social explosion and even undermine the course of reforms, we cannot advance further. I mean market transformations with social preventive measures.

[Skachko] Will not the appointment of Pavlo Lazarenko as first deputy prime minister cause "frictions" within the executive power among its various groupings?

[Marchuk) In the case of every figure at such a level, some people like it while others do not. I do not see any factors that might give rise to serious problems. Pavlo Ivanovych has a sufficiently serious experience at organizational work. In addition to certain spheres that he will be directly in charge of, he will also supervise the general internal organization of the government's activity.

I think that Pavlo Ivanovych is fit for his position. Of course, he must adapt to the new post. He has considerable potential.

[Skachko] The cancellation of the UNA's [Ukrainian Nationalist Assembly] registration promises "pretty lively days" ahead for Ukraine, because the organization does not accept the decision.

[Marchuk] This is not a matter of banning the UNA, but of rescinding its registration, and these are completely different things. Banning is one thing and canceling registration — this is a legal principle and it means that this structure may seek registration again if it changes its program and tactic.

As for different kinds of intimidation, such methods, especially on the part of some public organizations, are not new in history. We know what this may lead to and did lead to in quite recent European and our own history. On the other hand, if somebody wants to test the power for strength, I would simply discourage people from doing this. Because, as I understand this, "pretty lively days" will create certain problems for a certain category of people, and Ukraine's Criminal Code contains very precise articles on this.

[Skachko] When you spoke about a monetary and financial stabilization, did you mean monetary reform?

[Marchuk] Monetary reform is a constituent element in not just financial and monetary stabilization, but also in economic reform in general. You know that a commission has been created that works on monetary reform. However, there are very many factors that influence the adoption of an ultimate decision and that have their own dynamics. These include the level of production (decline or rise), the rate of exchange of the karbovanets relative to the U.S. dollar, domestic debt, foreign debt, and the pace of inflation. There are more than three dozen such factors. If one such element is ignored while reform is launched, it may totally undermine it, and six months later, the hryvnya will become that same karbovanets on different pieces of paper, or a new inflationary monetary unit.

Work proceeds quietly. The main thing is that reform does not and will not threaten anyone. It will not imperil either savings or wages. Monetary reform will not cause any negative consequences for the people. On the contrary....

[Skachko] Today, there is much talk of a new fuel and energy crisis and of a possible cold winter. What can you say on this?

[Marchuk] There will not be any drama. There will be no catastrophe of any kind. There will be a situation in which all of us will have to learn how to live economically. However, I guarantee that there will be no cold winter or frigid temperatures, even though the government, enterprises, and every citizen have yet to do very much to that end. We will have to adopt a normal and civilized economic policy. I reiterate: There will be no catastrophe.

[Skachko] What is the Ukrainian Government's attitude toward the NATO air strikes on Serb positions in the former Yugoslavia?

[Marchuk] I would refer you to the Ukrainian president's recent discourse with the mass media, when he received Great Britain's secretary of state and said that Ukraine always supported in the past and, as a rule, supports now methods of political settlement and negotiations only. We have never had instruments of military force in the arsenals of our external policy. Our troops in

Yugoslavia fulfill peacekeeping functions. However, on the other hand, I can say that sanctions adopted against Yugoslavia have caused enormous damage to Ukraine.

With regard to working out some line of Ukraine's behavior on this occasion in the external political arena, this will become known in the course of time. Because certain events take place both in Russia and within NATO that need to be very carefully analyzed so that a long-term policy could be worked out. Ukraine must be consistent in its external policy. The most important thing for us is to avoid the use of military force. Air strikes is not the best kind of policy.

[Skachko] At what stage is the implementation of Ukraine's idea on hosting a meeting of representatives of the three warring sides in Kiev?

[Marchuk] Preparations are under way. However, there are elements of secrecy here, and this is all I can say. There is always much to such things that may expose the idea to a certain risk. Such a meeting is being prepared.

Kuchma: State To Hold 'Levers' for Managing Reforms

LD1709162595 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 17 Sep 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma said that the state does not intend to let go of the levers for managing economic reforms. Under conditions of a transitional economy, one can on no account allow the state's regulatory function to weaken, he emphasized when summing up the results of the All-Ukrainian Conference of Economists, which ended on 15 September. Kuchma said with satisfaction that the provisions of the government's action plan received a positive assessment at the conference. I respect those who expressed alternative views; this is evidence of our path to democracy, the president emphasized. However, he noted that democracy also means the right of those in power to take the necessary decisions that they believe to be right.

Communist Leader Condemns Kuchma's Policies

LD1509222895 Kiev UNIAR in Ukrainian 1850 GMT 15 Sep 95

[FBIS Translated Text] Sevastopol — "Leonid Kuchma, although occupying the post of president of Ukraine, has not been fulfilling the functions of president," CPU [Communist Party of Ukraine] leader Petro Symonenko said at a news conference at the Sevastopol CPU city committee.

"There are two Kuchmas — Kuchma the person, and Kuchma the president, who is influenced by his environment," Petro Symonenko said. However, in the Ukrainian communist leader's opinion, one cannot raise the issue of Leonid Kuchma's dismissal, because "the conditions are not right."

Petro Symonenko condemned Ukraine's cooperation with NATO and its participation in the Partnership for Peace program and joint exercises: "This is a very dangerous game. All this is not in Ukraine's interests. We have seen what this leads to in Bosnia."

In Petro Symonenko's opinion, the Black Sea Fleet, whose unity must be preserved in the interests of all the CIS republics, should become a counterweight to the NATO bloc in the southern region.

"We understand that the Black Sea Fleet, now facing a barbarous division by politicians, is not carrying out its main task," Comrade Symonenko said.

Security Service Continues Fight Against Organized Crime

LD1709105395 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 17 Sep 95

[FBIS Translated Text] On 15 September 1995, the collegium of the Security Service of Ukraine held an expanded sitting chaired by Volodymyr Radchenko, the chief of the Security Service of Ukraine. The collegium considered the progress of implementing the tasks aimed at combating corruption and organized crime. It was pointed out that despite the positive results achieved, the Security Service, like other law enforcement bodies, had not yet managed to contain and restrict the sphere of influence of the so-called fifth estate. Criminalization of the state's economic system and merger of criminal groupings with political structures are continuing. Measures to step up the fight against crime, that were planned by the Security Service, are being carried out at a slow pace so far.

The collegium strictly warned some leaders of subunits and pointed to insufficient control and insistence on their part as regards the implementation of the Ukrainian president's instructions to step up the fight against corruption and organized crime. The collegium approved specific measures to improve the situation in this area of the activities of the Security Service of Ukraine.

CUN Delegation Arrives in Crimea To Discuss Nationalism

LD1509214395 Moscow ITAR-TASS in English 1815 GMT 15 Sep 95

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Transcribed Text] Simferopol, September 15 (ITAR-TASS) — A delegation from the Congress of

Ukrainian Nationalists (CUN) led by Chairwoman Slava Stetsko arrived in Crimea on Friday [15 September] to explain the CUN standpoint on the Crimean issue.

"The Crimean issue is not a Ukrainian problem. It is a problem for Russian chauvinists who have been sent to the peninsula to aggravate the situation here," CUN deputy chairman Sergey Zhishko said. The idea of building a Ukrainian state must bring together all those who live in Crimea, Kharkov or Galitchina because "all of us are being robbed by the pro-Russian communist nomenklatura," he said.

Zhishko said a good example was set by Crimean Tatars who were striving to solve their own problems and thus working to define their own future and the future of Ukraine. Zhishko accused Ukrainians living in the Crimea of being too passive.

"These Ukrainians must take the initiative and make sure that the idea of building a Ukrainian state should become the decisive factor in the political life in Crimea," he insisted.

"Yes, there are many Russians in Crimea, but this does not mean that all of them are against the Ukrainian state. We want Russians to see a perspective for themselves in the Ukrainian state," he said.

Stetsko said the CUN had already created its primary structures in 210 districts of Ukraine and its next task was to have primary cells in every village. The leaders of the Ukrainian nationalists resolutely distanced themselves from the Ukrainian National Assembly (UNA), which, they said, was founded to discredit the national idea of building an independent Ukrainian state. "Its style and methods of work are unacceptable to true nationalists," the CUN leaders said.

Economic Issues

Kuchma Exhorts Economists To Solve Crisis

LD1509150595 Kiev Radio Ukraine World Service in Ukrainian 1610 GMT 14 Sep 95

[Speech by President Leonid Kuchma at "All-Ukrainian Conference of Economists" in Kiev 14 September — recorded]

[FBIS Translated Text] The very fact that the All-Ukrainian Conference of Economists has been convened is far from an ordinary event in the life of independent Ukraine. We attach great importance to it and expect that the topical issues of the current economic development and the state's policy in this determining sphere of social life will be discussed comprehensively.

From the very start, I would like to point out the following: It is especially important that the conference be held in an atmosphere of openness and democracy. I would like you, as specialists, scientists, and practitioners, to speak your mind, regardless of whether or not we are pleased to hear what you have to say. Everyone should be free to express their ideas; however, these ideas should be constructive and substantiated. It is only under these conditions that we can expect the goals, set before this conference, to be achieved.

I would like us to concentrate on three mutually interrelated problems: The first of these stems from the fact that we need to make an in-depth and politically impartial analysis of the current economic development of Ukraine.

The second problem is dictated by the urgent need to search for effective ways out of this exhausting crisis. No matter how some aspects of Ukraine's current development are assessed, I think the majority of those present will agree with the conclusion that the prerequisites, perhaps not mature enough but quite realistic, for our economy emerging from the crisis and gradually entering the stage of economic recovery have been formed. At the expense of great efforts, we managed to initiate these processes this year. First and foremost, the four-year-long tendency toward a decline in the real incomes of the population has been overcome, the production process has been relatively stabilized, and some positive changes have been made in the financial and credit spheres.

According to our estimates, the stage of recovery, which our economy is gradually entering or, to be more precise, the stage of the economic revival will last for one to two years, that is 1996 and probably the first half of 1997.

The third problem is connected with a comprehensive assessment of the long-term tasks and with specifying the principles of long-term economic policy and the strategy for Ukraine's further socioeconomic development. The stabilization processes have got under way and I would like to repeat that I am well aware of the fact that they are unstable and far from being complete; however, this causes us outline the main principles of the post-crisis development. What should the pattern of the development be? This is far from being a rhetorical question. The anticipated end of the crisis demands that already today we should have balanced and scientifically-grounded ideas of the trends in further transformations which will be accepted by public opinion and the majority of the population.

I would like the All-Ukrainian Conference of Economists, its authoritative participants, the Ukrainian economic science body as a whole, to reach the level of scientific understanding of this exceptionally important aspect of state economic policy.

In connection with this, the following question is quite reasonable and logical: What is the correlation between the problems of the tactical and economic policies, which were outlined in last year's report by the president, entitled On the Way Toward Radical Economic Reforms, and included on the conference agenda , and the annual parliamentary report which substantiates the idea of correcting the economic reform. I am far from regarding these as absolute; however, I would like to emphasize again that there are no contradictions here. Life is not at a standstill, it is steadily developing and certain essential adjustments and changes in the economic policy are only natural. The opposite, the dogmatic attitude toward what has been proclaimed earlier, will be inadmissible. Meanwhile, I would like to say unambiguously, being aware that this is of fundamentally political significance, the main provisions of the October report were and remain fundamental ones for determining the current state economic policy. The idea is to establish and consolidate statehood, develop a modern, socially-orientated market economy, integrate it into the world economic space, and achieve a qualitatively new level of living standards and well-being for all the citizens of Ukraine on this basis.

Let me now touch upon some long-term developmental problems in Ukraine's economy which, in my opinion, are of fundamental importance. Pondering on the main outline and ways to introduce a pattern in the post-crisis development, in other words the pattern of economy, with which Ukraine will enter the next millennium, we are naturally striving to absorb, as soon as possible, the entire positive experience of the world civilization, something we have been alienated from for 70 years.

At the same time, world history corroborates that none of those nations who were successful in establishing their own state deviated from their course of blindly copying someone else's experience, which particularly applied to finding a solution to pressing economic issues. [sentence as heard] As for those famed countries associated with the so-called economic miracle, such as Japan, Germany, and the newly industrialized countries, each of them in their development based themselves, as much as possible, not only on their economic particularity but also on their historical traditions, genetic roots, national identity, and their people's culture.

However, more often than not we set out to build a great independent state, on the one hand, and boast about our intention to be like everyone else, on the other. All this is a subject for constant public debate.

My position is known. We cannot blindly copy the Western economic model. What the West has done in centuries should be accomplished by ourselves within one or one and a half decades at the most. Our development model depends on our starting point. Europe has its own starting point while we, quite understandably, have a fundamentally different one. This alone, in my view, outweighs any argument by the protagonists of the idea of mechanically following the course of development by Western countries.

Russia is a priority in extending our external relations. Its reform experience is of exceptional importance to every country with a transitional economy, including Ukraine. However, in view of the Ukrainian economy's present particularity, its radically different production structure and power supply mechanisms, the latter being the most prominent distinction, and the speciality of its geopolitical situation, every unbiased observer will acknowledge the obvious necessity for it to have its own concept of reforming the Ukrainian economy. Understanding all this is the key precondition for the foundation of a future economic model in Ukraine to be understood.

Our people will never agree to the role of a secondary state lagging behind and reproducing someone else's experiments because we paid dearly for our statehood. We aspired to it for hundreds of years and suffered for it so we must approach the matter of its economy and nation building in general with the utmost care.

The same applies to our scientific and economic thought. This is exactly the level of scientific generalization we expect. We badly need an in-depth scientific substantiation, not simply in finding a way out of the crisis and sanitizing production, although the latter is also extraordinarily important. We also need to find a way out of the crisis while simultaneously achieving the highest rate of economic growth. This is precisely the issue which dictated the convening of this conference.

It would be appropriate to remind ourselves of Ukraine's exceptionally large economic potential before the crisis. Why are we always trying to evade the subject? Is it not self-deprecating? Of course, we should avoid one-sided evaluations of the past development period. It is also true that ours was one of the world's largest economies according to per capita output. On the other hand, efficiency was low and the quality of life was much poorer than average European standards and even that in some of the former Soviet republics, for example, the Baltic states.

The command model of economy ceased to be effective long before the fall of the Soviet Union, in the mid-1970s or even earlier. Since this is a fact, we need to approach the current crisis differently from the way some political forces suggest. It is the objective demise of the old and the birth of the new in the economy and society. Our problem is that, for the last five years, we have been unable to take full advantage of this aspect of the crisis and infuse it with dynamism. Destroying, quite rightfully, the old and the ineffective, we have been unable to follow the dialectic laws of social development. These inert actions brought the decline of the positive aspects.

In 1993, Ukraine suffered the world's highest inflation leap, when prices multiplied more than 100 times. In 1994 came the worst, by world standards, annual decline in industrial output, at almost 28 per cent. This in turn caused the worst decline in living standards among the countries with a transitional economy. This is the reason why we must be very careful with the first green shoots of economic stabilization which are only just beginning to appear.

How should we make our way out of the crisis towards economic recovery a manageable and guided process? I believe there is no single exhaustive answer to that. This is why it is so important to work out joint recommendations on the most burning problems of Ukraine's economic development. The new government can work and is capable of making a turn for the better but it needs the trust and support of the public, and especially your support, although this does not have to be unanimous. Economic science in Ukraine has deep historical roots, well kept traditions, and a well deserved authority. The scientific progress achieved by different generations of economic scholars are part of the golden reserve of world economic thought. We have every legitimate reason to take pride in the fact that Ukraine's economic science honestly served its people and their essential interests and nobody, not even the greatest authorities in the outside world, can replace its own scientific potential.

Let me now dwell on some of the more specific problems in our future economic development. It is a well-known fact that an active structural policy is crucial to the formation of a post-crisis economic model. The government, together with relevant scientific institutions, has come up with several schemes for the structural reform. Unfortunately, none of those is sufficiently complete to become a program of real transformations. This is understandable because the problem is extremely complicated and multi-sided.

Particularly worrying is the problem of energy supply to the economy and energy saving, which calls for a careful approach. In the opinion of experts, Ukraine can produce 70 to 80 percent or even more of its energy supplies. It was not so long ago that Ukraine was one of the biggest fuel-extracting regions in the former Soviet Union. However, during the last decade, the bulk of the financial resources from the common pocket was channelled towards the development of fuel deposits in the eastern regions of Russia. Such was the official state policy, the reverse side of which was the actual decline of Ukraine's fuel-extracting industry. The development of mines in Donbass virtually came to a halt.

Let me cite the following figures: The volume of capital investment in Russia per capita during the 1970s and 1980s exceeded the analogous index in Ukraine by over 50 percent. The audience will see what is hidden behind this unambiguous figure. That is not all, however. Colossal material resources were channelled into the development of oil and gas deposits in the east. In addition, several million able-bodied Ukrainians were mobilized, with over half a million Ukrainians even now resident in the Tyumen Region.

Of course, Ukraine was no exception. What this quite understandably proves is the truth that eastern Russia's fuel recovery industry was a common attainment by every republic, including Ukraine, which formed part of the former Soviet Union. Ukraine has now lost it. This cannot be forgotten if only because this is why Ukraine is in crisis. This loss was not so perceptible while we still were supplied with energy by Russia at a discount on the basis of Ukraine's financial, material, and human contribution. Later, however, the situation changed dramatically.

At the beginning of 1993, if oil exports from Russia were priced at 27 percent and gas at 7 percent of world market prices then, by the end of that year, they came to 100 percent of world-market prices. This is what the record inflation of 1993, which dealt our economy one of the heaviest blows, primarily had to do with and to a considerable degree was caused by. Our economy's energy supply at present is the hardest problem of all. The possibility of conclusively curbing the crisis hinges precisely on whether it is resolved.

It is estimated that 85 to 90 percent of the total decline in production at present has to do with the failure to supply both industry and agriculture with power. We are now being forced into stoppages in production due to the power shortages.

The same applies to the problem of the payments crisis and our state's external debt. The situation has been aggravated by ineffective energy-saving measures. Moreover, despite the general decrease in the consumption of power between 1991 and 1994, the requirement for power in production went up by 54 percent, which is a very dangerous trend. To resolve this problem in a purely evolutionary manner under these conditions is impossible. We have to take emergency action both in the spheres of production and power supply to households.

These, I emphasize, are forced measures. The government is doing its utmost to get us through the winter by having heat and light. However, this does not remove the problem of comprehensively substantiating the scientific basis of our state's power supply policy and makes it even more topical. No fresh constructive proposal will be left unattended.

I have taken the decision to set up, under the Ukrainian Government, a scientific council for fuel and energy policy matters. I hope that it will work productively and that you will make proposals.

Among other things, it is particularly important for us to comprehensively analyze how to acquire alternative sources of power supply and how to technically and economically substantiate energy-saving policies. Your assistance will be of invaluable significance.

The value of our national workforce, which is our state's greatest asset, presents no less important and complex problems. Without finding solutions, we will never be able to overcome our economic backwardness or ascend to the orbit of a civilized and economically independent state. The low value of labor is the determinant of a colonial economy. This should be especially borne in mind in the context of the formation in Ukraine of the fundamentals of an open economy.

It is unanimously accepted, not only by Ukrainian but also by foreign experts, that the standard of our workforce is among the highest in Europe while the level of earnings is among the lowest. It is appropriate to recall that the biggest imbalance in the so-called real socialism was the highest labor-to-earnings ratio among industrially developed nations. We were proud of our large social consumption funds but even these were much smaller than in Western socially-oriented market economies. This is proven by existing statistical evidence which should be brought home to those who still passionately defend the old regime and pull society backwards.

It is true that in the course of the five-year crisis the biggest losses were suffered in the sphere of industrial relations. As a result of this, we came dangerously close to the line dividing us from the physical disintegration of the workforce and the impossibility of not only extended but even simple reproduction of labor power. Particularly worrying is the degradation of the highest-skilled layers of the national workforce. Statistical reports reveal that sectors most closely involved with the scientific and technical progress and highly sophisticated production are the lowest paid. Thus, at Pivdennyy Machine-Building Plant [Yuzhmash], workers and skilled engineers who produced the Sich-1 satellite, launched several weeks ago and giving Ukraine the status of a space power, are paid 5 million karbovantsi a month at most. The situation is similar at other enterprises of this type. Due to the exodus of qualified personnel to the commercial sector, many of these have lost, possibly for good, the ability to perform unique operations. Restoring this will take not years but decades.

There is another side to this problem which requires comprehensive analysis. Our strategic task today is to ensure the irreversibility of economic recovery and form genuine sources of post-crisis growth and the structural and technological reshaping of the economy. What is required? A lot. One of the key requirements is the formation of high, multi-layered, solvent demand. There are no miracles in economics. Once there is solvent demand, there will be economic growth. Many sectors have sufficient resources for this. Finally, we need to consider the fact that the absence of solvent demand prevents the development of the domestic market. Loud slogans alone will not help.

Judge for yourselves. From 1992 to 1994, the proportion of wages in the GDP dropped from 51 to 33.8 percent. This is almost half the standard in many developed Western nations. In most industrial sectors, the proportion of wages in the cost price structure dropped to 5 to 7 percent and, in some enterprises, to 3 percent. I believe the delegates at this conference understand only too well the consequence of this in the formation of combined demand. It is virtually destroyed, having dropped to the minimum. If we fail to change the situation radically, our attempts to ensure an irreversible pullout from the crisis and the formation of effective, market-oriented sources of economic growth and labor motivation will remain good intentions rather than reality.

This begs a question. Is this a realistic demand? What happens then to the competitive power of our goods, the effect of inflation, and so on? At the instruction of the presidential economic service, a group of experts recently made some calculations. Their main conclusion is that there are no purely anti-inflationary ways to increase pay. An increase of one percent causes the rate of retail price change to rise by approximately 0.6 percent a month. This is a lot. But there is another peculiarity which cannot be ignored. A detailed analysis of this process shows that prices will continue to increase for only a short period, after which the process will subside provided other conditions remain unchanged.

These are very complicated issues. Resolving them will take more than a year. This is our perspective, one of our strategic goals, if you wish.

We should have a clear-cut idea of the main trends of implementation and we should work along these trends, checking our everyday social policy measures against them. It is clear that the policy can only be implemented in conjunction with raising labor efficiency. Of course, the extremely broad range of social policy problems, which are raised in a very acute manner by the practices in our everyday lives, are not confined to this issue. I am convinced that they will be analyzed in depth both in your reports and in the course of the work to be done by the social policy section.

Of primary concern here is the fact that it is necessary not just to search for effective means to solve our current problems but to: Work out scientifically-grounded recommendations concerning the general principles of the future pattern of our social policy; determine ways of transition from the bureaucratic policy of the state, aimed at giving charity and social support to as many people as possible, which has become completely exhausted and obsolete; the creation of necessary conditions for citizen's social self-protection, including their protection in old age; implement the policy of social partnership at various levels; and to ensure the overall transformation of the existing social confrontation into social cooperation.

When emphasizing the search for ways to essentially raise the value of the national manpower, I had in mind that it was the main link in the entire chain of the social policy issues.

Ways to overcome [word indistinct] and development of the economy also require qualified opinions. This is also extremely important from the point of view of forming a post-crisis development pattern because the idea behind this is not just to set long-term goals but to take concrete action today. We should, first and foremost, decide on the ways to further reform ownership relations. Of late, there have been many debates on the issue, therefore I would like again to turn to the October report which, in particular, emphasizes: The key task of the Ukrainian president's new economic policy will be to establish a market-led, mixed economy with various forms of ownership, which will be built on the principles of democratizing property and creating equal conditions for all forms of ownership: State, private, and collective. I do not intend to deviate from this strategic task or revise it. We view Ukraine's post-crisis economy as a mixed economy, where all forms of ownership interact successfully. However, I believe this is not even a subject for a discussion.

The debates around the issue of what the place and share of the state form of ownership will be in the future are pointless. My personal opinion is that they will be quite significant. When we announced the policy of accelerated privatization, we had in mind, above all, that small privatization would be completed within the shortest possible period of time, in 12 to 18 months, and we regard this as the bedrock of market transformations in economy. As far as the rate of large-scale privatization is concerned, this is not a decisive issue, after all, for setting up the market. In the long run, the issue of the prospects for large-scale privatization is of no fundamental importance either, the share of state enterprises within the economic structure will be 15 to 25 percent. The only thing known today is that this share is very high and it should be radically cut down.

What then is the essence of the problems which requires our immediate attention? I am convinced that there are two key factors here: A search for effective mechanisms to radically improve the ability to control and manage state enterprises; second, to ensure their real integration into the market relations system. Let us focus our attention on these primary issues. The Cabinet of Ministers' Program of Action, which will be submitted to the supreme council, envisages that the state sector will be structurally divided into two main subgroups. First and foremost, a group of enterprises will be selected and granted the status of government enterprises. As regards the rest of the state enterprises, the question is raised about their compulsory flotation. Moreover, the idea is to carry out an accelerated flotation which is expected to be completed by the end of the current year. In accordance with this, the notion of a state joint-stock society will be introduced. Not less than 51 percent of shares in these enterprises will belong to the state. The compulsory flotation will allow: First, the final delimitation of the state budget and enterprise funds; second, the opening up of a way to the financial market for these enterprises; and third, the introduction of relevant changes in the structure of their management and subordination.

It should be pointed out that the idea is, first and foremost, to change on a compulsory basis, the status of state enterprises which, in accordance with the decision by the Ukrainian Supreme Council, are not subject to privatization. We believe that this will not clash with the relevant decision by the Supreme Council because flotation, according to legal definition, is not alienation of property from the state. The idea, and I emphasize this, is merely to change the status of those enterprises and provide them with the possibility of implementing in a more comprehensive manner the principles of economic management. Taking into account the fact that these enterprises now have to work for the market on the basis of market principles of price formation, one can understand how important this is. It is necessary to take into account the fact that the majority of these enterprises will be privatized in the future. Therefore, as a matter of fact, they are being led into the preparatory stage of privatization.

There is another group of enterprises, those whose authorized funds have less than 50 percent of shares belonging to the state. This group of enterprises will be managed with the participation of representatives of state bodies — supervisory councils. This is the main framework of the functional pattern of the state economic sector, which has been worked out and which should be implemented in the near future. It is being actively supported by production structures and we pin our hopes on its efficiency.

However, there are many problems in this sphere that still remain unsolved. The most difficult is the issue of setting up a sector for government enterprises. Unlike flotation, this is an entirely new thing to us. These enterprises function in many Western countries and it would be expedient to have a well substantiated summary of the existing experience. I believe that the Economic Institute, the World Economic Institute, and national academics can do this. In connection with this, I appeal to academicians Lukinov and Pakhomov.

Some flotation problems have not been properly worked out. The matter of primary concern here is to determine ways for a civilized replacement of the destructive and, most importantly, obsolete structure of the so-called red directorate [directors who were appointed to their posts during Soviet rule] by a modern system of management; to work out an effective pattern of involving workforce representatives in the corporation management bodies. This system, as is known, functions efficiently in many Western countries, primarily in Germany. We should boldly embark on this road.

The formation of a single, integral national market on the basis of corporate capital is an especially topical issue. I believe that this can be implemented using the existing mechanism of the Ukrainian Stock Exchange. However, other opinions are being expressed in this connection. Therefore, relevant scientific recommendations are required here as well. We have no right to make errors because we can compromise the whole affair.

Due to the lack of time, I will express only some ideas regarding further development of the nonstate economic sector which already accounts for over 40 percent of products. There should be no doubt that this share will grow steadily and, moreover, it will grow at a high rate. The state is called to conduct an active policy of support for private entrepreneurship, not just to strictly regulate it but to stimulate its activities and ensure its priority development. The process of establishing the private sector should be developing not only from bottom to top but also from top to bottom.

I would like you to analyze, in the course of your debates, the issue of leased enterprises and, in particular, the acute problems that have emerged in that sphere of economic relations.

State support for small and medium businesses and private farms should be among the priorities of the state policy. One should understand that without the small and medium businesses there can be no market. In the West, these economic structures have proved themselves as the most dynamic carriers of scientific and technological progress and guarantees of structural flexibility of production, effective employment, and social stability. How can we use their experience and how can we give a fresh impetus to the development of this sphere of entrepreneurial activities under our conditions? Frankly speaking, we cannot give an exhaustive answer to this question either. Therefore, work towards this end has not been done properly. I hope that the new government will take this into account.

I would like to emphasize again that society today urgently needs an effective system of protection for the small and medium businesses that manufacture goods. They need political, legal, ideological, and moral support, if you will. We can only do this through concerted efforts. In this respect, I think it is necessary to emphasize the need for in-depth research into the developments taking place in this entirely new sector of the economy. We must realize that its establishment within a very short space of time, just a few years, and its operation in the absence of sufficient accumulation of capital, free funds, and active state support, could not but involve serious negative consequences. The virtual absence of an overall market culture among our population is also making itself felt, along with the presence of a sizeable section of the former party and administrative establishment within the entrepreneurial structure. They have a dual mentality and, establishing themselves in a civilized market environment, they are destructive and prone to forming corrupt liaisons with government personnel, as well as political and judicial authorities.

On the other hand, one is concerned about the establishment in the business sphere of a philistine spendthrift mentality, modelled on the pre-revolutionary merchant class. This is alien to the Ukrainian psyche. Our problem is that we have been unable to create a proper environment for the private sector where it is prevented from wasting capital on expensive Mercedes cars and forced to invest it, in order to survive competition, in an ongoing modernization of productive sectors. Personally, I am deeply worried about the increasing involvement in the lucrative business spheres of a large section of young people, with low values and poor command of the market culture in business and everyday communications. I am aware that these developments require daily attention from the legislative authorities, both centrally and locally. However, it is also obvious that without joining our efforts with those of the public these problems cannot be solved. The main task is to prevent them from becoming deep rooted and developing into customs. By all means we should find ways of establishing a civilized business culture in Ukraine and train entrepreneurs, especially those who have achieved a certain success, to share the burden of pulling the country out of the crisis and giving it a new impetus for growth. I also wish to stress that we will never win the respect of the world community if we fail to make a radical turn for the better.

Another issue concerns institutional relations, some of the aspects of which I want to bring to your attention, and this is the problem of increasing state involvement in the process of economic development. According to our view, a state with strong regulatory functions should become an essential feature of Ukraine's post-crisis development. Incidentally, this principle is fully consistent not only with the conditions of a transitional economy but also with the historical traditions of the Ukrainian people and with their mentality. This is another obvious truth with which we have to reckon. In this respect, the formula which we are seeking to establish in the development of not just a market economy but a socially-oriented market economy, is incomplete. It needs to be adjusted, concentrating attention on the fact that our objective is the establishment of a state-regulated, socially-oriented market economy. This is why in my recent speeches I have criticized attempts to give sole preference to the monetarist instruments of the economy. This audience is aware of the fact that extensive monetarism results not in an increase in the state's regulatory functions but in its disintegration. I will tell you frankly that I don't subscribe to the slogan "the less state involvement the better." It does not suit us today. The losses we suffered during the entire crisis period were caused to a large extent by the destructive character of this approach. This situation must be rectified. We are talking about the principles of our economic policy, our economic ideology. We have good reasons to conclude today that, based on purely monetarist economic policy instruments, we cannot fully overcome the consequences of the crisis. Since this issue provokes more dispute than any other, I would like us to engage in an active, unbiased discussion at this conference. Members of the government present here are ready to hear any criticism or proposals in this respect. I also hope that scientific establishments and higher educational institutions' economic departments will research these problems substantially.

Raising the issue of intensifying the state's regulatory function what I primarily have in mind is mastering a fundamentally new model of the conduct of the economy, which differs radically from its administrative form. What should this model be like? How will it take into account that which has been accomplished in practice worldwide and is based on our particularity and, most importantly, the objectives of our further development? This again, is a major complex of problems to be resolved together. May also I invite your cooperation on this issue.

The main demand on you today is to devise, on the basis of your own and worldwide experience, and in accordance with the conditions of our development, a theory of prognosis and target planning, the applicable methodology, and so forth. We also want your opinions in this respect.

The next problem is this: In outlining the area of the state's economic activity, ensuring the synchronism of operations in the regulation of macroeconomic and microeconomic processes was and still is the most complicated problem. The consequences of disregarding reforms in the microeconomic processes often originate from an insufficient level of competence on the part of some officials and the lack of an in-depth understanding of the substance of modern economic developments. For example, we would never have managed to charter the course of effective agrarian reforms, including those with land relations as their largest part, had the top agrarian experts and, in particular, Agrarian Relations Institute scientists, not tackled this task. The mechanism introduced of unifying macroeconomic and microeconomic processes in agriculture this year yielded a palpable result when, for the first time to a considerable degree, we managed to avoid the issue of inflationary credits to preserve relatively stable production conditions.

I neither play down the difficulties nor oversimplify the problems presented. I do believe, however, that we now have grounds to state that we have determined the main vector of reforms in agriculture.

I shall be frank: When opening a new page of market transformation in the economy back in last October, I personally did not expect that this very sector of the economy, where the nature of production is the most conservative, would achieve a breakthrough. Regrettably, however, agriculture is effectively the only area where the fundamentals of coordination between reforms in the economy in general and in that sector in particular have been established.

The same could not be said about any other sector, although we have replaced the leadership of sectoral ministries with highly qualified and quite aggressive, in the best sense of that word, specialists with the will and ability to work as part of the government. However, some exceptionally complex processes have to be hurdled, which is why there should certainly be a harmonious unity between the science and practice of economics.

There used to be a scientific and consultative council under each ministry. It will probably make sense to reopen their work. I would like those present to comprehensively discuss this group of problems, as these are exactly the considerations that dictated the division in the work of our conference into the respective sections for everybody who wishes to do so to speak out. I assure you that no appropriate proposal will be left unattended by the government.

Another point is that shifting the emphasis in the activity of the government towards processes at sectoral level in no way means less attention to a macroeconomic and, primarily, financial balance in the economy. There, too, our experience is quite negative. We know only too well how it affects the entire economy. That is why we should not only vigorously protect every attainment in that area, we should also build upon it.

At the same time, we should qualitatively refresh our actions primarily in the sphere of finances. Here again our own experience proves that, in itself, financial stabilization at the macrolevel cannot be sustained. This is only a precondition of stabilization in the economy in general, a balance in operations at microlevel, and a stronger financial position for industry. The substance and complexity of this problem lies in how to combine one with the other and to establish their optimum relationship.

This also concerns monetary policy issues. You can press the levers of monetary stabilization as hard as you like but, if production fails to kick off, it will be impossible to achieve a long-lasting inflation minimum, which for us is 1 to 2 percent per month. When production declines, its efficiency falls sharply and this leads to a rise in the cost prices and, consequently, an increase in retail prices. Think about it. Last year alone, labor productivity in industrial production fell by 16 percent, power consumption rose by 13 percent, and the capital-to-output ratio increased by 31 percent. I do not think there is any need to prove that these are the very factors causing prices to increase, which cannot be avoided during the decline in output. This can be done only by completely suspending nonindustrial activity which, of course, is absurd. The bitter experience of the Baltic countries is convincing proof of what it means in reality. Therefore, let us analyze these developments.

We keep talking about an active monetary stabilization policy but we have not yet made an in-depth analysis of inflation factors in Ukraine. Nobody is doing that. That is why there is no need to shout about having partially suppressed the inflation rate. A question arises immediately: At what price was this achieved? Were the measures taken the best available options? There is no answer to these today. Nobody is trying to calculate, even having such a scientific giant at our disposal as the Institute of Cybernetics. Is it that this scientific center, so famous in the recent past, is no longer capable of modelling these developments?

It turns out that even on anti-inflationary policy issues we are groping for clues. What this can lead to was revealed by the panic on the currency markets in August, which caused tangible economic and moral losses to our economy. I issued a directive setting up a state commission to provide comprehensive analyses of the causes and consequences of these developments. The results will be made public. The situation which emerged in this sphere has to be rectified. Inflation, a most complicated economic phenomenon, along with the state deflationary and currency exchange policies, should be the subject of comprehensive scientific research.

I have dwelt on just some of the functional aspects of the role of the state in the economic sphere, emphasizing all the time the need for their comprehensive scientific analysis. Life presents us with extremely difficult tasks every day and every hour and we cannot resolve them merely by trial and error. This is too costly. I realize too well that we need to boost the role and importance of our national science and support it. My position on that is well-known and we will do it. At the same time, we need more active feedback and more significant results from relevant scientific studies. Being the president, I am deeply concerned at the poor funding of scientific research and the fact that our budget spending on science is very small and that we are lagging behind Russia in this respect. But this is no excuse for the fact that some scientific centers, and even entire institutes, have gone underground, so to speak, and nobody knows what they are doing now. The state, funding their work, albeit in modest contributions, receives nothing from them at all. We need some clarification on this. Recently, as you know, I set up a commission to work on proposals to reform the sphere of scientific activity and bring it under control. It is necessary to revise the specialization of scientific research institutions and help Ukrainian science turn from a part of all-USSR science to a structurally integral national scientific system. Unfortunately, virtually nothing is being done for this to happen. I hope to make more comments yet on this extremely important issue.

Permit me to end my remarks now and wish you a fruitful conference. Thank you for your attention.

Prime Minister Marchuk Speaks at Economic Conference

LD1509211595 Kiev UNIAN in Ukrainian
1230 GMT 15 Sep 95

[FBIS Translated Text] Kiev — Adjustments to Ukraine's foreign economic relations will consist of consolidating efforts with foreign partners with regard to implementing full-scale projects and making efficient use of Ukraine's geopolitical space, said Ukrainian Prime Minister Yevheniy Marchuk at the All-Ukrainian Conference of Economists on 15 September. According to him, "Ukraine should not become a buffer, but a unifying link between East and West."

In the prime minister's opinion, Ukraine's geographical location makes it possible for Ukraine to earn sufficient funds from transit alone to make at least half the payments for energy supplies.

Marchuk Comments on Social Policy

LD1509211895 Kiev UNIAN in Ukrainian
1230 GMT 15 Sep 95

[FBIS Translated Text] Kiev — The basis of the government's social policy will be "not to allow the total impoverishment of the people," said Ukrainian Prime Minister Yevheniy Marchuk at the All-Ukrainian Conference of Economists on 15 September. Against this background, in particular, a mechanism for entrepreneurs' voluntary contributions to the social sphere and adjustment of pension levels will be introduced.

According to the prime minister, the government intends to gradually go over to state regulation of market prices. The head of the government said that other countries' experience shows the inefficiency of shock therapy.

Yevheniy Marchuk noted that the revival of administrative pricing was not at issue, but state supervision, which is needed at this stage of reforming the Ukrainian economy.

Marchuk on Adjusting Anti-Monopoly Policies

LD1509212195 Kiev UNIAN in Ukrainian
1230 GMT 15 Sep 95

[FBIS Translated Text] Kiev — The current anti-monopoly policies need adjustment in the direction of support for enterprises, which could enter the world market. Ukrainian enterprises should continue to be turned into powerful financial-industrial groups, Ukrainian Prime Minister Yevheniy Marchuk said at the All-Ukrainian Conference of Economists on 15 September.

He said that monopolism in its negative aspect is economic dictatorship, and not the size of an enterprise or volume of its production.

Kuchma Pleased With Results of Economic Conference

LD1509223095 Kiev UNIAN in Ukrainian
1630 GMT 15 Sep 95

[FBIS Translated Text] Kiev — Summing up the results of the All-Ukrainian Conference of Economists, Ukrainian President Leonid Kuchma expressed his satisfaction with it. In particular, he noted that "understanding was reached with the specialists." Leonid Kuchma also said that he had once again been convinced that in conditions of a transitional economy one cannot allow the state's regulating function to weaken. In the present conditions, now that the inflation process had been halted, it was necessary to "carry out a redeployment of efforts in the direction of the production process."

According to the Ukrainian president, one now has to ensure that what has been worked out is implemented in practice.

National Bank Chief Praises Kuchma Monetary Policies

LD1509214495 Kiev UNIAN in Ukrainian
1740 GMT 15 Sep 95

[FBIS Translated Text] Kiev — Currency policy and its results in the last five to six months has been one of the most successful pages in the Ukrainian president's economic reforms; this shows to what extent a consistent policy of liberalizing exchange rate formation can positively affect activity on the monetary market in general, said Ukrainian National Bank Chairman Viktor Yushchenko at a news conference on 15 September.

The National Bank chairman stressed that the volume of currency sales on the currency market had increased this year. According to him, in January $280 million were sold, 646 million in June, and 747 million in

August. The volume of dollars increased by more than 200 percent. A similar tendency was observed in sales of the German marks and Russian rubles.

On the fall of the karbovanets in August, Viktor Yushchenko said that although this did have some negative consequences, a comparison with "Black Tuesday" in Moscow was irrelevant, because the karbovanets fell by 10 percent in the period from 1 to 14 August, while in Moscow the ruble fell by 23 percent in that time.

Belarus

Defense Ministry Issues Statement on Balloon Case

WS1509131295 Minsk Radio Minsk Network in Belarusian 1200 GMT 15 Sep 95

[FBIS Translated Text] The press service of the Belarusian Defense Ministry has stated the following: The tragedy involving the hot air balloon in the Belarusian skies is undoubtedly horrible. This incident left no one in the government and, in particular, the Defense Ministry, indifferent. The only thing we would not like to see are hasty accusations, including ones directed against servicemen, who guarantee security for the state. The truth will be established by the state commission. Its conclusions will be impartial and accurate, particularly since independent international experts have been engaged to investigate this accident. This is not a case where passions should be stirred up around this sad incident based on conjectures, assumptions, and emotions. The death of people is always a tragedy. The Defense Ministry expresses its sincere condolences to the families and relatives of the dead pilots.

More on Baloon Shootdown Findings

MM1509180795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Sep 95 pp 1-2

[Report by special correspondent Igor Sinyakevich: "Why Did the People in the Balloon Keep Quiet?" — first paragraph is editorial introduction]

[FBIS Translated Text] The remnants of the balloon piloted by 55-year-old Alan Bernard Fraenckel (photograph on the left) [report is accompanied by small passport-style photos of the two men] and 63-year-old George Stuart [name as published] came down on Wednesday near the village of Krugloye in Berezovskiy Rayon, Brest Oblast. Our correspondent dictated this report from the scene of the tragedy.

When the helicopter opened fire on the balloon, Olga Nikolayevna, an elderly inhabitant of Krugloye, decided that the war had started again, and hid under an apple tree. Her son Vasiliy, a senior warrant officer in the reserves, heard the shooting while he was having dinner and thought, "someone's had too much to drink, stolen a helicopter, and now he's firing at the dachas." If only....

Yuryy Sivakov, chief of the Belarusian Security Council quick reaction section and also deputy chairman of the commission examining the circumstances of the incident, summed up the initial results of the investigation. According to him, the border guards were the first to see the balloon. That was at 0941 hours. The duty officer for the Belarusian Air Defense Forces tried to establish the identity of the flying machine. But it turned out that neither the Air Defense Forces central command point nor the other command points had any information of the possible appearance of balloons. The Belarusian Center for Navigation and Organization of Flights was also unable to clarify anything as regards the legitimacy of the appearance of flying machines of that type in the republic's airspace. The duty officer made inquiries of the Polish Air Defense Forces duty officer as to whether any balloons had flown over Polish territory. No, they hadn't....

Thus, having discovered a "UFO," Major General Valeriy Kostenko, commander of the Air Defense Forces, gave the order to put the Air Defense Forces duty patrols onto number one readiness. At 1136 the order was given for an Mi-8 combat helicopter to take off from Pruzhany military airfield; it was supposed to approach the target, identify it, and report back to the control point. When the helicopter pilot saw the balloon at an altitude of 2,300 meters, he asked the control point for permission to approach the target. The order was issued to approach the target no closer than 50 meters. The helicopter went to within 100 meters.

The young captain reported that he could see a small balloon 3-4 meters in size with a closed type of suspended container resembling a freight container. There were no identification marks on the flying machine. The target did not reply to inquiries which were broadcast twice on the international frequency. The helicopter pilot was ordered to open warning fire and, in the absence of any response from the target, to destroy it.

The helicopter maneuvered and, from a distance of 600 meters, fired a round from a large-caliber machine gun to the side of the balloon. But even after that the balloonists did not reveal their presence in any way. Three minutes later, 20 12.7 mm bullets had reduced the balloon to tatters. The container, which subsequently turned out to be a gondola with people in it, began to fall. But even then the pilot did not see the people.

A couple of hours later the Air Defense Forces found two more balloons in the region. Their crews immediately put out national flags and identified themselves with "pyrotechnic flare devices." One of the balloons, understanding the order to land, made a landing near the settlement of Zelva, while the other continued its flight, escorted by a combat helicopter, until the helicopter's fuel ran out and he had to return to base. That balloon landed of its own accord at a military testing range near the settlement of David-Gorodok.

Meanwhile the remnants of the balloon were found by a search party 6 km east of the city of Bereza. The bodies of the two men had physical injuries characteristic of a fall from a great height. The identities of the dead men were established.

The state commission investigating the incident found out almost immediately that back in March the Belarusian Center for Navigation and Flights had received an application from the organizing committee of the "Gordon Bennett-95" championship for the use of airspace by competitors. The answer was given in June: You may cross the air border — on condition that notice is given again on the eve of the flight. That condition was not met.

According to Yuryy Sivakov, the championship organizing committee did not carry out all the necessary measures to ensure the safety of competitors. No announcement about the championship was made in the press. The organizing committee did not send a representative to Belarus. In Sivakov's opinion a fatal role was played by the fact that the balloon was not brightly colored, but was of a uniform gray color without any identification marks. In view of the above, and the fact that the crew did not respond to radio inquiries, the actions of all the officials involved in the operation are deemed correct.

Nor could Yu. Sivakov resist casting aspersions on the balloonists.

"Well, judge for yourselves," he said. "At a distance of 100 meters from a helicopter, there is so much noise that even a deaf person would hear it and react in some way, as they did in the other two balloons. And the warning shot was heard even in the city of Bereza. But the crew did not reveal themselves even when they started plummeting to the ground. All this led the commission members to think that the balloonists were dead before the shooting."

But the export report showed that the crew were alive at the time they hit the ground. Furthermore, the last entry in the log was made at 1100 hours. That is, 54 minutes before the attack.

The commission now has just one working hypothesis. It is suggested that in the interval between 1100 hours and its detection by the helicopter at an altitude of 2,400 meters, the balloon was swept up to an altitude of 8,000 meters by an air current. The crew members did not have time to use oxygen masks, and lost consciousness. Being unconscious, they could not respond to the Air Defense Forces' actions.

Yuryy Sivakov was unable to give an intelligible answer when asked what danger a small hot air balloon could pose to military facilities. But it is obvious that the sportsmen were suspected of espionage. "After the Rust episode, can you imagine the situation the duty officer was in?" Yu. Sivakov asked the journalists.

Commentary on NATO's 'Real War' Against Bosnian Serbs

LD1709144195 Minsk Radio Minsk Network in Belarusian 0300 GMT 17 Sep 95

[Commentary by Genadz Navitskiy]

[FBIS Translated Text] Very alarming news continues to come in from the former Yugoslav Republic of Bosnia-Herzegovina. For more than two weeks, starting on 30 August, NATO air forces, with the consent of the present UN leadership, have been launching missile and bomb strikes against military and civilian targets under Serb control. There have been about 4,000 such dangerous raids. In this way there has been a very real war by the NATO military against only one side — the Serbs — which naturally [words indistinct] the Croats and Muslims to use for their purposes. They have been shamelessly seizing Serb territory, thereby creating new flows of refugees. There are approximately 10,000 more of them than previously.

A three-day cease-fire has now been declared in Bosnia. The Serbs are withdrawing their heavy weapons located around Sarajevo. The NATO air war against them has also been temporarily suspended. But what will happen next? What will be the further role of the UN in the conflict? Unfortunately, its most senior leaders have given NATO carte blanche, in effect, to carry out punitive operations in Bosnia. This was done in secret, (behind the back) of many countries, including Russia, which does not do any credit to the UN [words indistinct].

The scheduled 50th session of the UN General Assembly opens on 19 September in New York, and a little later, in October, the presidents of more than 40 countries, including Belarus, will take part in it. As for our attitude to the present situation in Bosnia, the Belarusian Ministry of Foreign Affairs has issued a statement emphasizing that the recent events there are outside the framework of the UN Security Council mandate, and the increase in armed pressure on the Bosnian Serbs only worsens the possibility of a political settlement of the conflict. The logic of war inevitably runs counter to the logic of peace. There simply is no other way.

Lukashenka, Union Leaders Discuss Labor, Social Issues

WS1809095195 Minsk BELAPAN in English 0740 GMT 18 Sep 95

[FBIS Transcribed Text] On September 15 a meeting between President Lukashenka and representatives of the Presidium of the Council of the Federation of Trade Unions of Belarus (FTUB) took place in Minsk in the Presidential residence. During the talk lasting for four hours the parties discussed a wide range of social and economic problems. In his interview to BELAPAN the leader of the FTUB Uladzimir Hancharyk commented on the meeting. He noted the problem improving the financial standing of enterprises. During the meeting the parties stated that the governmental resolution with this respect is not implemented. Belarusian enterprises still cannot enrich their working capital. Mr Hancharyk also informed that the FTUB disagrees with the government on the problem of wages. While the Cabinet stands for the indexation of wages from October 1 the FTUB suggests that wages should be raised. According to Mr Hancharyk, the President supported the trade union proposal on raising by a half the wages to scientific workers and teachers and on creating a 10 percent bonus fund for workers in education, cultural sphere and health care. During the meeting the question was raised on resolving labour conflicts. Both parties noted that conflicts should be resolved by legal means. The best way to resolve labour arguments would be prevention of conflicts, as the parties noted. The FTUB submitted the draft decree on responsibility of employers for the implementation of collective treaties violated everywhere now. Mr Hancharyk estimated this meeting as constructive one noting that it was not a monologue but rather a constructive discussion of both parties.

National Bank Chairman on Disputed Merger

WS1309134895 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 7 Sep 95 p 4

[Interview with Belarusian National Bank Chairman Stanislaw Bahdankevich by Pavel Sheremet: "The Protection of State Interests May Cost the Main Banker of the Republic Dearly;" place and date not given — first paragraph is BELORUSSKAYA DELOVAYA GAZETA introduction]

[FBIS Translated Excerpt] **The events connected with the merger of "Belarusbank" and the Savings Bank are developing quite quickly. As BELORUSSKAYA DELOVAYA GAZETA has learned, personnel reductions have begun in "Belarusbank," and confidential talks on the future are being held with the other bank's manager. On 5 September a National Bank expert who came to audit the "Belarusbank" branch 34 was denied entry to the bank, and the employees refused to present any documents on the bank's operations, referring to ["Belarusbank' manager"] Tamara Vinnikova's instruction. In our latest issue we presented the "Belarusbank" manager's opinion on the developments. Today Belarusian National Bank Chairman has agreed to grant an interview on this issue to BELORUSSKAYA DELOVAYA GAZETA.**

[Bahdankevich] The presidential edict on merging "Belarusbank" and the Savings Bank was unexpected for the National Bank management board and the Belarusian National Bank Audit Department, whose functions include preparing decisions connected with establishing new banks or reorganizing them. Moreover, the Savings Bank and the National Bank discussed the idea of setting up "Sberstroybank" along the lines of a similar German bank with the assistance from the latter. This bank would grant loans for construction of housing. We held negotiations, were close to agreement on these issues, and expected assistance from the German bankers. Only the high inflation rate in the first half of this year was holding us up. The issue of establishing this bank, nevertheless, has currently become very topical.

I would like to emphasize another thing, however. I consider abnormal a situation in which decisions are based on data presented by only one side (for instance, "Belarusbank"), without taking into account the real situation, the financial condition of this bank, and consultations with the National Bank. Although any decisions on the Savings Bank can be made by the "Belarusbank" owners and the state, these decisions should be based on information presented by our country's central bank. [passage omitted]

[Sheremet] What will the National Bank do in this situation?

[Bahdankevich] We will do the following: The National Bank will raise no objection to the merger of the two banks, though only if the banking law is changed to rescind the article on the National Bank and permit banks to be established on a mixed basis. It is not true that the National Bank is putting a spoke in the wheel of the president's decision. We are simply disappointed by the fact that the decision was made without considering the information available, and regardless of the body regulating these issues according to the Constitution. At the same time, we are trying to resolve this issue in a reasonable manner, in the interests of the state. I sent a report on this to the president and the prime minister. I presumed that this will merely draw their attention to this issue, which would make it possible to resolve the problem of the merger in a more professional way. Instead of this, I have been receiving categorical demands to stop supervising "Belarusbank" and leave it alone. This is unacceptable to me, and I am aware that **my stance will result in my dismissal.**

I once received a written demand concerning "Elitbank" from the Presidential Administration containing all sorts of accusations against the National Bank. We did not register the more than 8 billion-ruble increase in the bank's authorized capital because this increase was indirectly put together out of the bank's own loan. We then managed to defend our case, since after a thorough examination we established that everything was untrue and fabricated.

There are unfortunately many problems and crimes in the banking sector. One type of violation is to add interest early to bank employees' accounts. For example, either salaries in "Belarusbank" were paid three times a month, or interest was added ahead of schedule in January and February, even though this was prohibited back in 1991.

[Sheremet] The former Savings Bank was also run by the state. Were obstacles also put in the National Bank's way while the Savings Bank's operations were being supervised at that time?

[Bahdankevich] No. We were supervising this bank. We once even decided to improve the management of the Savings Bank. We can see certain problems: Normal accounting has not yet been organized in this bank, and there is a certain amount of laxity about granting loans to other banks and debtors. There are some problems, and they will remain. I am not speaking about problems alone, however. "Belarusbank" deliberately presented us with false accounts, understating the amounts of loans granted. The former authorities once attempted to keep us from supervising this bank. The new authorities are again trying to keep the National Bank from supervising the "Belarusbank's" operations.

[Sheremet] You said the National Bank's firm position may become the excuse for your dismissal. Could you explain this situation?

[Bahdankevich] I am ready to work. I think the banking system needs me during this complex period. But if nobody seeks advice from the National Bank chairman and management board... We are not against the idea of the president making decisions. We only believe that prior to this he should consult the body conducting the supervision on behalf of the state. Is anything wrong with that? I will not carry out such instructions, and if am unable to perform my functions at all, I will certainly resign.

[Sheremet] How, in your opinion, will the latest developments affect the general situation in the banking sector?

[Bahdankevich] The statements that the merger of the two banks will benefit the state are not backed by reasonable assessments. The Savings Bank, after all, had huge credit resources; it deposited over 1 trillion rubles in the National Bank. These are huge resources. The Savings Bank was directly subordinated to the authorities — the prime minister and president. A joint stock bank will be less accountable. Today the president could directly resolve any issues concerning the Savings Bank because he has enough power. Tomorrow the situation will be different.

There is talk that "Belarusbank" has the best staff. I cannot see that in the bank's results.

[Sheremet] A crisis has struck the majority of commercial banks. There are rumors that the same actions may be carried out toward "Belpromstroybank" and "Agroprombank" as were carried out toward "Belarusbank" and the Savings Bank. How true are these rumors?

[Bahdankevich] I will learn about such plans from newspapers. Now I am afraid to deny them, however.

[Sheremet] One paragraph in the presidential edict gave the instruction that the Banking Code should be drafted by 1 November, and it has already been. There is the impression that the foundation of the Belarusian banking system will be reshaped and changed this fall. What is your attitude toward this?

[Bahdankevich] In general, the adoption of the code will become a positive factor in the development of the Belarusian banking system. I have looked over the finished draft. Unfortunately, it was prepared in secrecy. Can reforms be prepared without discussions and openness in a normal economy, however? Will this help the economy? This is a recurrence of the past. At the same time, I positively assess the draft. Everything it provides for, to a certain degree, has already been developed. I have no essential objections to many paragraphs of this code. It is reasonable enough. I think it will be possible to pass this document within a year, following discussions and experts' conclusions. Nevertheless, I have a few serious objections. The main thing is to avoid parochialism while passing global decisions and laws. Governments come and go, parties assume power and then lose it, but the national currency and the country's financial situation should be stable for any government and society, because this is to the advantage of the people. Central bank managers are thus elected for a term of office longer than that of president and government in the West.

Moldova

Snegur, Yeltsin Aide Discuss Dniester Crisis

AU1509201895 Chisinau INFOTAG in English 1930 GMT 14 Sep 95

[FBIS Transcribed Text] Chisinau, September 14 (INFOTAG) — Mr. Dmitriy Ryurikov, foreign policy adviser to the Russian president, has arrived to Chisinau today. He said to journalists, Boris Yeltsin has been closely watching the negotiations between Chisinau and Tiraspol, with Russia mediating in the process. "President Yeltsin requested me to meet both with the Moldovan leadership and Tiraspol leaders, as well as with the Russian troop command in Dniester, and to inform him in detail about everything", he said. Mr. Ryurikov was received by President Mircea Snegur today. The head of state said, Igor Smirnov's appearance in the State Duma had not promoted the normalization of the situation, which was only proved by the yesterday's round of talks with the Dniester delegation. Dmitriy Ryurikov stressed that the Russian president had synonymously spoken for the conflict settlement in the interests of the population on both sides of the river, and for Moldova's territorial integrity. Moldova is resolute to continue the dialogue and to allow for no more armed conflicts, Snegur said. And though quite a sufficient amount of guarantees has been given to that, the constitutional authorities in Moldova are ready to consider new propositions. Moldovan officials expressed concern to Mr. Ryurikov about a media published information that Dniester armed formations are receiving combat machinery and other military equipment from the Russian contingent deployed in the region. Chisinau has also expressed discontent about the Russian troops' participation in the recent celebration of the Dniester's independence anniversary.

JCC Cochairman Urges New Moldovan-Russian Summit

AU1709145995 Chisinau INFOTAG in English 2120 GMT 15 Sep 95

[FBIS Transcribed Text] Bendery, September 15 (INFOTAG) — The Moldovan Co-Chairman of the Joint Control Commission (JCC), Deputy Minister of Interior Victor Chatan has spoken for arranging a new Moldovan-Russian summit to discuss conflict settlement. In his opinion, the meeting will need to analyze how the sides fulfill their commitments ensuing from the Agreement of July 21, 1992 signed by Presidents Snegur and Yeltsin, and to negotiate a legal status for Dniester. Mr. Chatan stated this at today's meeting of the JCC Co-Chairmen with Dmitriy Ryurikov, Russian President's Adviser.

The meeting covered matters of settling the conflict and implementation of the above Moldovan-Russian agreement. The sides stressed the necessity to speed up the political settlement process, and to keep Dniester armed formations out of the security zone. The meeting was attended by the Moldovan and Russian JCC Co-Chairmen, an OSCE Mission representative, the Moldovan Ambassador to Russia and the Russian Ambassador to Moldova. The Dniester Co- Chairman did not come to Bendery.

Mr. Ryurikov met with Dniester leaders in Tiraspol today. He also had a face to face meeting with separatist leader Igor Smirnov. The day before, Dmitriy Ryurikov met with the Moldovan leadership. His current visit is devoted to solving the Dniester dispute. According to our sources in the Ministry of Foreign Affairs, the Russian President's Adviser was satisfied about Chisinau's settlement proposals which, however, are rejected by Tiraspol.

Chisinau Media Comments on Snegur-Smirnov Meeting

AU1709151695 Chisinau BASAPRESS in English 2015 GMT 15 Sep 95

[FBIS Transcribed Text] Chisinau, 15/09/1995 (BASAPRESS) — Chisinau media give contradictory accounts on the results of September 13 Snegur-Smirnov meeting. The FPCDM [Christian-Democratic Popular Front of Moldova] publication TARA (The Country) reported that "despite certain forecasts that Chisinau-Tiraspol talks might come to a standstill," President Snegur met Igor Smirnov. He did it because "the situation is such that any suspension would damage both sides." "For the self-proclaimed Moldovan Dniester republic, participation in the talks held under OSCE auspices is more like an unofficial international recognition. As to President Snegur, a break in the talks would nip in the bud his plan of revival through conciliation," according to the commentary.

The latest events in Russia, Igor Smirnov's statement in Russian Parliament and "Yeltsin's open support for Russian State Duma's anti-West position revealed that Tiraspol is not acting on its own... The failure of the talks could be predicted last Saturday." "One might think that both sides treat the talks with increasing indifference... Tiraspol is expecting a change in Chisinau's policy, which may follow after Snegur-PDAM [Democratic Agrarian Party of Moldova] confrontation as the presidential institution and ruling party display an interest for Dniester's fate which is more difficult to conceal," noted "Tara."

"Under these circumstances, the Dniester crisis may increase the tension of the political situation," said TARA, adding "Moldova's and Tiraspol's toughness in the relations with Moldova derive from the official policy of the Kremlin, tempted to at least partially regain the spheres of influence it once had." "This change compels the two Romanian states to make clear their options in the foreign policy," noted the publication, adding NATO's extension to the East is worth thinking about.

The daily MOMENTUL said today that Snegur's departure from the PDAM and the constitution of the PRCM [Moldovan Party of Revival and Consolidation] "might cause Tiraspol officials to protract the talks to see the essence of Snegur's new policy." "If we are to believe President Snegur, he even approved of an autonomous Dniester republic, but it again seemed too 'Moldovan nationalist' to Tiraspol officials. On the other hand, one might be puzzled by the confidential character of these meetings," concluded MOMENTUL.

Smirnov Views Need For Army To Defend Dniester

AU1809074995 Chisinau INFOTAG in English 2120 GMT 15 Sep 95

[FBIS Transcribed Text] Tiraspol, September 15 (INFOTAG) — The president of the breakaway Dniester republic, Igor Smirnov, has again resolutely spoken for consolidating the Dniester statehood: "The status problem can be solved only on the basis of building contractual relationship with Chisinau."

At a meeting with Dniester border guards on the occasion of the 3rd anniversary of establishing the region's border guard force, Smirnov stressed that "Dniester needs its own army and its vanguard unit, border troops, to defend our land."

"We must control our boundaries by ourselves, otherwise we will lose our statehood. And the last meeting in Chisinau proved it. The negotiations shall be continued, but they inspire no optimism, for our differences are too fundamental both politically and economically," he said.

The Moldovan economy is being re-oriented to the West, while Dniester seeks integration into the CIS, he stressed. "We cannot give up our reform course to satisfy the West which grants loans to Chisinau."

"Moldova is undermining our economy by tempting our economic agents with the leu stability and inviting them to open accounts in Moldovan banks thus evading tax paying to the Dniester budget," he complained.

Constitutional Court Cancels Andronic Dismissal Decision

AU1609184795 Chisinau INFOTAG in English 2120 GMT 15 Sep 95

[FBIS Transcribed Text] Chisinau, September 15 (INFOTAG) — The Moldovan Constitutional Court has canceled the parliament's decision on dismissal of Deputy Speaker Nicolae Andronic, Chairman of the Law Committee Eugen Rusu, and Chairman of State Security and Public Order Committee Ion Ungureanu.

The Parliament took this decision in late July, before summer vacation. The reason was the 11 deputies' resignation of their membership in the ruling Agrarian Democratic Party [PDAM]. Later on, they joined the presidential Party of Revival and Conciliation [PRCM] .

A parliamentary majority has considered it impossible to keep at leading forum posts those deputies who had been elected to parliament on the list of one party and then quitted it. At the forthcoming autumn/winter session, the PDAM faction was planning raise the question of depriving the 11 deputies of their mandates. This intention was supported by the delegates of the second extraordinary PDAM congress on September 2.

However, the Court has declared the decision as anticonstitutional, and stated deputies must not be persecuted for political motives, and that, by the Constitution, a deputy serves the people, not a party. The Court's decision is final and without appeal.

The Court sitting was attended by four out of six judges, with its Chairman Pavel Barbalat and a judge being on leave. According to our yet unproved data, three of the four judges voted in favor of the cancellation, and thus the parliament's decision was recognized as anticonstitutional.

Judge Nicolae Osmocescu restrained from any comments on the Court decision. He only remarked that none of the four Court members offered any particular viewpoints on it.

"Public may have different opinions about our conclusion, but it is in strict accordance with law. It will be published in the press within 10 days, with all appropriate arguments pro and contra", he said.

Background Information: By the Constitution, the independent Constitutional Court is the only organ of constitutional jurisdiction in the republic. It consists of six Judges appointed for six years: two Judges by the Parliament, two by the President, and two by the Higher Magistrates Council.

Law and other regulations or parts thereof become null and void as from the moment the Constitutional Court passes an appropriate decision to that effect. Its decisions are final and without appeal.

The parliamentary majority have regarded the above Constitutional Court's decision as hasty and violating the existing procedure. Victor Cechan, member of the Law Committee, has stated to INFOTAG that "the

Constitutional Court has no right to pass decisions with violation of set procedure".

"The Court's procedure and work order are fixed in the Constitutional Jurisdiction Code. This fundamental document has been adopted by parliament but has not yet been published in the press and has not come into force. In such a situation, it is not clear what the Court was driven by, and what the haste was for. By the way, the decision has been taken in the absence of a parliament representative who was supposed to be in the room as an interested party", Mr. Cechan said.

"On September 11, the Parliament was notified on the Court sitting scheduled for September 14. The Court requested the forum to state their opinion on the matter, and to send a representative. But, by law, that could be made only by the plenary sitting of the Session which is to be opened on September 19. We explained everything in our reply letter, and requested the Court to postpone its sitting for a later date", Cechan said.

"I wonder why the Court was so negligent about our opinion and request, and why it ventured on violating the legislation. Can we speak about a constitutionality in this case? This is either a political act, which only spoils the Court's prestige, or something else...", the lawyer said.

"As for the Court decision, the Parliament will consider it, although it is not a compulsory one. Anyhow, no tragedy should be made out of it, the Parliament has a right to voice its opinion, and, maybe, its conclusion will not differ from our previous decision of July", Cechan said.

The Constitutional Court's decision only proves the inadmissibility of persecuting people for their political views. We have appealed to the supreme constitutional instance exactly to prove that in a democratic state such persecution must never take place", Nicolae Andronic, former Deputy Parliament Chairman, told INFOTAG. Although the decision is final and without appeal, certain political forces may begin discussions around it, including in parliament, Andronic remarked.

"Our opponents are now trying not to get to the heart of the matter, but are seeking to dispute the decision taking procedure so that to smoke-screen the fact of political persecution. Their statements that the decision was passed before the Constitutional Jurisdiction Code had come into force fail to hold water. The Court already adopted various decisions in the past, including on confirmation of deputies' plenary powers and on Snegur's legislative initiative. However, then nobody mentioned that the Court acted without having the Code in force", Andronic reminded.

Kazakhstan

Nazarbayev Orders Transfer to New Capital, Akmola

LD1509124395 Moscow ITAR-TASS in English 1212 GMT 15 Sep 95

[FBIS Transcribed Text] Almaty September 15 (ITAR-TASS) - Kazakh President Nursultan Nazarbayev issued a decree Friday actually ordering to begin preparations for moving the capital of the country from Almaty, which is close to the Chinese border, to Akmola in the centre of the republic.

On Jule 6, 1994 the Kazakh parliament backed Nazarbayev's proposal and ruled to move the capital to Akmola (former Tselinograd).

Nazarbayev believes it would be much more convenient and easier to govern the republic from the centre than from its fringe. Moreover, the population of the present capital is growing rapidly and it is difficult to expand the city due to the nearby mountains and local seismic conditions. Specialists say that the construction of housing, administrative and other buildings will be much cheaper in Akmola. Rather important also is the argument that the ecology of the present capital, hemmed in between mountain ranges and rarely flushed with fresh air, is heavily polluted by numerous enterprises.

Nazarbayev ruled in his Friday decree that Akmola will be the capital, but that he would retain a residence in Almaty.

He also said that a special state commission would be set up to deal with the resettlement of central bodies of power. The "New Capital" fund will be organised to build the necessary facilities in Akmola.

Kazakh experts believe an appropriate infrastructure in Akmola can be ready only after the year 2000.

Capital Transfer Begins After PRC Visit

LD1709131695 Moscow Radio Rossii Network in Russian 1000 GMT 17 Sep 95

[By Sergey Kolotilinskiiy; from the "Neighbors" program]

[FBIS Translated Text] [Kolotilinskiy] Hello! The past week has seen a flurry of foreign political activity in the countries of the near-abroad. High-ranking figures from abroad came to their capitals, or, on the contrary, the heads of the CIS and the Baltic states went on foreign trips: For instance, Kazakhstan's President Nursultan Nazarbayev paid a visit to China. Aleksandr Svyazin, our Almaty correspondent reports:

[Svyazin] The visit took place against a background of constantly growing anti-Chinese sentiment in Kazakhstan. The republic's citizens are concerned that the Chinese are gradually settling Kazakhstan's territory. The people of Kazakhstan are also worried by the continuing nuclear explosions at the Lop Nor testing range, which is in the immediate vicinity of Almaty.

Kazakhstan's politicians, who have been closely following Nazarbayev's visit to Beijing regarded it as a success. Once again Kazakhstan has received security guarantees from China. Moreover, Nazarbayev and [Chinese President] Jiang Zemin have signed a joint declaration on the further development and deepening of friendly relations between the two states. The sides undertook to continue strengthening mutual understanding and trust and maintain a many- sided dialogue at various levels.

On his return from Beijing, Nazarbayev immediately signed an edict on the transfer of Kazakhstan's capital from Almaty to Tselinograd. Analysts say the closeness of Kazakhstan's present-day capital to the border with the Chinese People's Republic is one of the reasons for moving the administrative center.

[Kolotilinskiy] By the way, immediately after his visit to Beijing, Nazarbayev left for a meeting with [Russian Prime Minister] Viktor Chernomyrdin. It is difficult to say what they talked about, since for the time being the official sources are silent.

Foreign Ministry Welcomes Geneva Talks on Bosnia

LD1509201795 Moscow ITAR-TASS World Service in Russian 1413 GMT 15 Sep 95

[by ITAR TASS correspondent Gennadiy Kulagin]

[FBIS Translated Text] Alma-Ata, 15th September — The Foreign Ministry of Kazakhstan welcomes the Geneva talks between the foreign ministers of Bosnia-Herzegovina, Croatia and Yugoslavia, which are being held under the aegis of the Contact Group, and may progress toward settling the Bosnian crisis. The Kazakhstan's Foreign Ministry statement released today says the parties have demonstrated their readiness to compromise based on the principles of states' sovereignty, without which lasting peace in the long-suffering Balkans is impossible. This gives cause for satisfaction.

The statement says it is important that the countries which have emerged on the territory of the former Yugoslavia should continue to exist as sovereign states within the borders recognized by the international community.

'Official,' 'Real' State of Affairs Differ

954F3454A Almaty DOZHIVEM DO PONEDELNIKA in Russian 15 Sep 95 No 35, p 4

[Interview with Vitaliy Voronov, chairman of the public association Legal Development of Kazakhstan and a private lawyer, by Erik Nurshin; place and date not given: "I Do Not Consider Myself in Opposition to the President"]

[FBIS Translated Text] [Nurshin] Vitaliy, is your public association registered or not?

[Voronov] It was registered with the Ministry of Justice in March 1994. We have regional branches in oblasts of the republic, and the center is in Almaty. Right now, our association is basically not engaged in politics. Our present tasks involve civil rights, education, and provision of information. We publish an information and analysis bulletin....

[Nurshin] How is it financed?

[Voronov] Our own funds, for instance.... Besides, we received a grant from the American Legal Consortium that provides concrete technical and financial assistance.

[Nurshin] What kind of actual financial assistance?

[Voronov] That is a grant secret! Well, the assistance is designed to enable us to get the bulletin published. We have already published two issues in English, Kazakh, and Russian. The bulletin reaches the desk of the president, prime minister, highest courts, the procuracy, Ministry of Internal Affairs, National Security Committee, and all public organizations and mass media in the republic. Then we have a second bulletin, which is dedicated to the analysis of Kazakhstan's new draft Constitution.

[Nurshin] Well, are you planning to run for parliament yourself?

[Voronov] We have not yet seen the law on elections. But it is easy to predict what it will be. I think I will not participate in the elections—it would be simply impossible.

[Nurshin] Why?

[Voronov] The draft law stipulates norms such as the following, for example. For election to the lower house it will be necessary to collect on the order of 15,000 voter signatures just to register. But I am able to run only in the north, in my former district, Kokshetau Oblast. It is simply unrealistic to have to amass 15,000 signatures under winter conditions, with resistance on the part of local structures of authority to us—whom they consider an opposition. But I do not consider myself an opposition figure— not to the government, not to the president, and not to the state. We have just one requirement, one desire—the authorities must execute the law!

[Nurshin] Did you participate in the referendum on adoption of the new Constitution?

[Voronov] I personally was unable to participate objectively in the referendum, insofar as I believed that from the position of the existing Constitution a referendum could not take place. Yet we did not support a boycott of the referendum in our capacity as Legal Development of Kazakhstan. I myself, I repeat, did not participate in the referendum, did not go out to vote, because I cannot participate in measures I consider to be unlawful. However, our association did participate in the referendum by sending observers to the polling stations in Almaty and other regions of the republic with the aim of objectively tracking how many voters went to the polls. Our observers were officially registered.

Already we can state that the official and real state of affairs differ. Therefore, we are presently analyzing and generalizing the data. Perhaps we will publish the results of our observations in the next issue of the bulletin along with appropriate conclusions. This will probably prove useful in the coming parliamentary elections.

Kyrgyzstan

Kyrgyzstan To Join Customs Union

LD1409163595 Moscow ITAR-TASS in English 1451 GMT 14 Sep 95

[By Anna Zanina]

[FBIS Transcribed Text] Moscow, September 14 (ITAR-TASS) — Kyrgyzstan is shortly to sign documents on joining the Customs Union, Vladimir Meshcheryakov, the Deputy Chairman of Russia's State Customs Committee, told ITAR-TASS on Thursday. He said the legal basis for this is being prepared.

The agreement on forming the Customs Union was signed by Russia, Kazakhstan and Belarus on January 21, 1995. The first stage of its formation has now been completed. A united customs zone between Russia and Belarus has been created. Joint control is effected on the external border of the two countries. Work to unify customs legislation is being conducted.

The lifting of all customs barriers, including tariffs and cargoes inspection, is the ultimate aim of the Customs Union.

New Justice Civic Movement Sets Out Aims

LD1809100095 Bishkek RES PUBLICA in Russian 12 Sep 95 p3

[FBIS Translated Text] The Adilet (Spravedlivost) [Justice] Civic Movement of Kyrgyzstan came into being on 6 September 1995. On this day the movement's organizational formation was completed: a coordinating council was set up, headed by Yuruslan Jumanovich Toychubekov, the well-known Kyrgyz politician and businessman, president of the Manas-Ata international public association, president of the Kyrgyz-Swiss bank Adilet, and deputy in the Assembly of People's Representatives of the Kyrgyz Supreme Council.

We do not intend to comment on the new movement's declaration, which is published today. We will just note its unquestioned constructive nature, for which presidential and government structures have appealed and are still appealing so insistently from their numerous critics. We also note that the Communist and Peasants' parties, Dyykan-Ordo, Manas-Ata, and several independent deputies from both chambers of the current parliament have already joined the movement. ErK [expansion unknown] and certain other parties and public associations in the republic intend to define their attitude toward this civic movement within the next few days, and this gives grounds to suggest that it will have a certain degree of mass appeal and influence.

We think it is also necessary to stress that the declaration places the main emphasis on economic issues, and this cannot but be welcomed, because we all learned long ago that we cannot fill our stomachs on politics.

However, it is hardly worthwhile guessing about the future of the Civic Movement, its popularity and influence, for in our memory there have been many statements and declarations which have ended up sharing nonexistent portfolios and meaningless but fine-sounding positions — especially because the presidential and government structures have assumed the best stance, which has been tested by time: the wait-and-see position. Nevertheless, according to our confidential but very reliable information, the president and his immediate entourage are watching each step of the new movement. Are they waiting for obvious mistakes in order to prepare Adilet for the same destiny as that of our close neighbour, the Uzbek Adolat?

Declaration of the Adilet (Spravedlivost) Civic Movement of Kyrgyzstan

Fellow citizens!

It is already some five years since Kyrgyzstan became an independent state. The foundations of democracy have been laid in the republic in this period:

in the sphere of politics, various political parties, movements and groupings are being formed and are functioning;

in the sphere of the economy, certain conditions for the functioning of the institutions of private property and free enterprise have been created; the national currency has been introduced;

the republic's constitution has been adopted in order to stabilize the state system.

Therefore, in many countries of the near and far abroad, the republic's image as a democratic state is strengthening, and the progressive forces of the world community are giving it all manner of support and assistance.

However, despite the favorable external conditions, the economic crisis is deepening inside the republic because of the continuing collapse of agriculture, the slump in industrial production, its increasing fuel and power dependence, and the gradual conversion of the republic into a mere supplier of raw materials.

The dollar support for the som has not led to a boost in production or in the development of private enterprises on the basis of the privatization of state property. As a result, the number of unemployed and the state's arrears in the payment of pensions, grants, and wages to the population are growing.

All this is creating fertile ground for a rise in crime, its penetration into state structures, the development of corruption in all branches of authority, and, consequently, a sharp weakening of that authority. This could ultimately lead to a social explosion.

In this situation the powers that be, headed by President Akayev, are displaying feebleness in tackling economic tasks and making any excuses for their failures, while not admitting their own ineffectiveness.

At the beginning of his rule the president supported democratic reforms in the country. However, the reforms, which in reality were backed up by nothing, proved to be just good intentions and as a result brought a rapid deterioration in the living standards of the majority of Kyrgyzstan's population. While aware of the results of their reforms, the president and his entourage are continuing to preach the basic principles of democracy in words, but in their deeds they have turned to the path of usurping power.

The first parliament was dissolved [in September 1994] with the president's tacit agreement. Active work is being conducted, in violation of the constitution, to extend the president's term in office until 2001. The newspapers 'SVOBODNYYE GORY', 'POLITIKA,' and 'KYRGYZSTAN' have been closed. The 'RES PUBLICA' newspaper will be next.

It is clear that given such a volume of pseudo-political work, absolutely no time, strength, and funds remain for tackling the real problems. Meanwhile, the republic has already accumulated debts to last several generations on so-called preferential foreign credits. In this connection, we want to remind such politicians: "The riches of the republic have not been left to us by our parents, they have been borrowed from our children."

The last hopes have disappeared that the country's present leaders can get the republic out of the crisis. That is why we have come together in the Adilet (Spravedlivost) Civic Movement of Kyrgyzstan.

Our aim is the establishment of justice in all spheres of the socio-economic, public, and political life of Kyrgyzstan.

We believe that the republic must develop on the basis of its mentality, history, established traditions, and interethnic accord.

We are proposing:

1. To stabilize the republic's economy on the basis of openness and the development of all forms of ownership through the creation of favorable conditions for them;

1.1. To exempt newly established enterprises from profit tax for two to five years, depending on the importance of the goods produced.

1.2. To create a flexible tax system based on stimulating the work of taxpayers;

1.3. To set tax rates for enterprises and organizations that act as an incentive, provided that they produce goods that are competitive on the world market and that they grant targeted social aid to the needy strata of the population.

1.4. To grant an amnesty to economic entities.

1.5. To achieve self-sufficiency for the country in foodstuffs and power and fuel.

1.6. To use the republic's geographical situation in order to maximize the expansion of international mediatory services.

1.7. To guarantee access to credits for all economic entities of Kyrgyzstan.

2. To reorganize the system of government.

2.1. To establish a balance between the three branches of authority.

2.2. To carry out the best possible administrative and territorial division of the republic.

2.3. To decentralize power in the republic, giving the local population the right to elect their heads of administration.

2.4. To work out and implement a program of measures to fight and completely eliminate the basis of separatism — tribalism.

2.5. To establish a strict system of discipline and liability for observance of laws, applicable to all citizens of the republic without respect for person, from the ordinary employee to the head of state.

2.6. To reorganize the law enforcement system with the aim of waging an effective fight against corruption and organized crime.

3. In the social sphere, in tough market conditions:

3.1. To guarantee state protection to the needy strata of the population in the sphere of education and medical services.

3.2. To set minimum rates of pay and pensions, at the minimum subsistence level.

3.3. To eliminate the left-over principle of funding science, education, medicine, culture, and other nonproduction spheres, allocating no less than three percent of the budget annually.

We are convinced that the republic will get out of the crisis only when all socio-economic and public and political problems are tackled on the basis of justice!

Uzbekistan

Central Asian Security Forum Issues Final Statement

LD1609170695 Moscow ITAR-TASS World Service in Russian 1604 GMT 16 Sep 95

[By ITAR-TASS correspondent Vilor Niyazmatov]

[FBIS Translated Text] Tashkent, 16 Sep — A conference on security and cooperation in Central Asia ended in the Uzbek capital today. Representatives of the United Nations, OSCE, CIS, the Interstate Council of the Central Asian states, and 16 countries attended the conference.

Summing up the results of the forum, its participants stressed that the conference was a good start in resolving difficult political, economic, military, ecological and other problems in the region. The questions discussed at the forum were formulated by Uzbekistan President Islam Karimov in his speech: peace, stability and cooperation on the basis of mutually-beneficial and equal partnership.

In the opinion of the speakers, the system of regional security and cooperation makes it possible to take into account the individual interests of the countries. On the other hand, global problems require not only political but also economic and ecological efforts. The Tashkent conference will obviously make a contribution to ensuring stability in the region.

The statement adopted by the forum says: "The states of Central Asia are fully aware of their responsibility for the situation taking shape in their region and proceed from an understanding that ensuring regional security, stability and cooperation will become a collective contribution to the on-going progress of the world community. Voicing their deep concern over a continuing conflict in Afghanistan and the situation on the Tajik-Afghan border, the Central Asian states recognize as a matter of principle the indivisibility of regional security and collective responsibility for maintaining it. In this connection the participants in the Tashkent conference-seminar welcome the signing of the protocol on the main principles of establishing peace and accord in Tajikistan and on extending the agreement on a cease-fire which was signed in the framework of the intra-Tajik dialogue under UN auspices and with the participation by the countries-observers".

The statement says that, going by previous experience, there is reason to be hopeful and optimistic about the prospects for regional development.

President Calls For Regional Peace, Stability

LD1509212795 Moscow INTERFAX in English 1913 GMT 15 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Islam Karimov in an opening speech to the international seminar on regional security and cooperation in Tashkent on Friday called for regional peace, stability and ethnic harmony as the main condition for an early advanced by the newly sovereign Central Asian states on the road of market economy. The forum sponsored by Uzbekistan, the United Nations and OSCE involves representatives from about 20 countries and leading international organizations.

He said peace, stability and ethnic harmony were the three main pillars of Central Asian policy. Karimov said that Central Asia had always been a bone of contention being a crossroads between the East and West, the North and South. He stressed that instability in Tajikistan and confrontation in Afghanistan were affecting the situation in all regional states.

The Uzbek leader said the Tashkent forum was not a fad but a vital necessity because it was expected to flesh out measures on settling the regional situation and providing international aid to the newly-set up developing countries.

UN Secretary General Butros-Butros Ghali in a message of greetings read out at the forum called for a pre-emptive regional policy. He said the 50 million-strong Central Asia was within the UN's field of vision. In his words, the UN as the international community as a whole was very keen to see that peace and stability comes to reign in the region and drug trafficking is halted to Europe.

The message says that one of the main tasks is to cease arms supply to warring sides in Tajikistan and Afghanistan.

Ghali's envoy Makhkmud Mestiri and UN representative in Uzbekistan Salid Malik also addressed the forum.

It is expected to adopt a statement on all issues under discussion later today. The seminar ends on Saturday.

New Law on Civil Rights Comes Into Force

LD1309124995 Moscow INTERFAX in English 1038 GMT 13 Sep 95

[FBIS Transcribed Text] Tashkent, Sept 13 (INTERFAX) — A new law allowing any action or decision violating civil rights and liberties to be contested came into force in Uzbekistan on Tuesday. This will lead to a review of many bylaws affecting citizens' interests, justice ministry officials told Interfax.

These will be either annulled or brought into line with the new law adopted by parliament on August 30, they said. From now on, all citizens are entitled to contest any violation of their rights in court.

The new legislation was drawn up at the initiative of Uzbek leader Islam Karimov who raised the issue before parliament early this year.

Armenia

Iran's Velayati Arrives, Meets With Papazyan

LD1709210795 Tehran IRNA in English 2043 GMT 17 Sep 95

[FBIS Transcribed Text] Tehran, Sept. 17, IRNA — Iran's Foreign Minister 'Ali Akbar Velayati arrived in Yerevan Sunday heading an Iranian delegation and was welcomed by his Armenian counterpart Vahan Papazyan.

During his scheduled stay here the Iranian foreign minister is to participate at the third ministerial assembly of Iran, Turkmenistan and Armenia.

Velayati on Importance of Trilateral Meeting

LD1709213095 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1930 GMT 17 Sep 95

[FBIS Translated Text] The third round of the trilateral meeting of the foreign ministers of the Islamic Republic of Iran, Turkmenistan and Armenia began on Sunday afternoon in Yerevan.

According to the Central News Unit, in his speech to the session Foreign Minister 'Ali Akbar Velayati underlined the constructive and positive role of Iran as a focal point for the international contacts in the region, and as an axle to bring the countries of the region closer with the countries of other regions.

Velayati added that the trilateral session was an important session because in addition to contributing to the rapid growth of trade ties, development of communication, and expansion of transit, it has a special role in establishing peace and security and in maintaining stability in the region.

Boris Shikhmuradov, deputy prime minister and minister of foreign affairs of Turkmenistan, also laid emphasis on the importance of the trilateral cooperation and said that Iran plays an excellent and a key role in the trilateral cooperation. He added in view of its strategic position, Iran has the capability to invite a large number of countries in this type of sessions and that Iran is our door to the world market.

The Armenian foreign minister considered the cooperation between the three countries positive and outstanding.

Oskanyan: Minsk Group To Determine Karabakh Status

NC1509134195 Yerevan SNARK in English 1459 GMT 14 Sep 95

[FBIS Transcribed Text] Yerevan, September 14 (SNARK)—Vardan Oskanyan, Armenian Deputy Minister of Foreign Affairs told reporters at a press conference today that the statement recognizing Azerbaijan's territorial integrity made by the U.S. Embassy in Baku can not affect the decisions of the Minsk conference on NKR [Nagorno-Karabakh Republic].

Oskanyan said that though the international community recognizes Azerbaijan's territorial integrity, they do not digress from the statement that the Minsk Conference will determine the status of NKR. Moreover, the principle of peaceful border changes is one of many international issues which can be solved peacefully.

Oskanyan Rejects International Armed Force in Karabakh

NC1509132895 Yerevan SNARK in English 1553 GMT 14 Sep 95

[FBIS Transcribed Text] Yerevan, September 14 (SNARK)—Vardan Oskanian, Armenian Deputy Minister of Foreign Affairs, informed SNARK that currently there is no judicial basis for giving the international community the right to interfere in the Karabakh conflict like it occurred in Bosnia.

He reminded reporters that during the meeting between the leaders of the OSCE member states in Budapest on December, 1994, Armenia put veto on the resolution which gave OSCE the right to bring armed forces to the conflict zone without consent from the conflicting sides. Oskanyan said that they have always been very prudent and both the international community and the UN arrived at a conclusion that the events in Bosnia should not be repeated in other regions.

Oskanyan added that this issue is likely to be discussed during the coming visit of UN's Deputy Secretary General Aldo Agello to Yerevan.

Georgia

Russian Premier Chernomyrdin Pays Official Visit

Shevardnadze, Chernomyrdin News Conference

LD1509142795 Tbilisi Radio Tbilisi Network in Georgian 1211 GMT 15 Sep 95

[Joint news conference held by Georgian Head of State Eduard Shevardnadze and Russian Prime Minister

Viktor Chernomyrdin at Government House in Tbilisi — live; monitored in progress]

[FBIS Translated Text] [Shevardnadze] It is very important that a visit like this took place after Russian President Boris Nikolayevich Yeltsin had visited Georgia with whom we signed, as it is acceptable to name, a major Treaty on Friendship, Cooperation, and Good-Neighborly relations. This second stage is really an honorable continuation of what has already happened, of what we, the leaders of the governments of the two states, have written down in that basic document. The scope of the issues under discussion is broad and varied. It involves political issues, economic issues, science, and culture. Almost all issues are presented in it. I would like to emphasize that a detailed elaboration is carried out of the provisions and the truths declared in that major treaty. What agreements and accords have been signed? Shall I read them out?

Some of the journalists were present at the signing ceremony, but not all of you.

A treaty between the Republic of Georgia and the Russian Federation on mutual legal assistance in civil, criminal, and family cases. I am not going to read the particulars of the contents. Each of you understands what these treaties and agreements are;

— an agreement between the government of the Republic of Georgia and the government of the Russian Federation on cooperation and mutual assistance in the sphere of currency and export control;

— an agreement between the two states on coordinating the activities of the railway transport. You are well aware how important, I will say how vitally important this is for Georgia and the whole Transcaucasus, as well as the Caucasus on the whole;

— a treaty between our states on the legal status of citizens of the Russian Federation residing permanently in the territory of the Republic of Georgia and citizens of the Republic of Georgia residing permanently in the territory of the Russian Federation;

— a treaty between the Russian Federation and the Republic of Georgia on Russian military bases in the territory of the Republic of Georgia;

— a protocol between the Ministry of Defense of the Russian Federation and the Ministry of Defense of the Republic of Georgia on providing some additional military residential towns for stationing military units;

— a protocol on considering the issues of restoring railway traffic and coordinating the activities of the railway transport within the section from Veseloye [in Russia] and Ingiri [in Georgia];

— a protocol on talks between the delegations of the Russian Federation and the Republic of Georgia;

— a statement on extending and developing all-embracing cooperation between the Russian Federation and the Republic of Georgia.

The principal treaties and agreements I have just spoken of and have just named will be published in the press and will be brought to the knowledge of our TV viewers and radio listeners by commentators. They are so important for each citizen and the whole state that a broad explanatory work will be required in order that the people realize which stage of the development of the Russo- Georgian relations is meant.

I have already said that we have discussed a very broad scope of issues, including our bilateral relations, economic, political, scientific and technical, cultural, and other relations. It is natural that we could not evade discussing the issues of the state of affairs in our region, in the Caucasus and even broader space. Some of the problems related to transport, functioning of transport, I mean motor, railway, air, and other transport. Some problems related to the provision of the Republic of Georgian with Russia's assistance with essential foodstuffs, [word indistinct], and some other things.

It is natural that we held a fundamental discussion on the issue of settling the conflict in Abkhazia and issues of settling the Georgian-Ossetian conflict. I believe that we are heading along the right path. During his meeting with journalists, Russian President Boris Nikolayevich Yeltsin demonstrated his own stance and Russia's stance with regard to the conflict in Abkhazia with absolute resolution and unequivocally. We also discussed this issue in the same way, and I believe we are approaching a global settlement of the problem. Russia, as always and even more concretely now and I will say more resolutely, supports Georgia's territorial integrity and these are not mere words, but I am confident real deeds will also follow.

I would like to thank you again, Viktor Stepanovich, to thank all our honorable guests who have worked so hard in order to prepare such important documents that control relations and determine the direction of further developments and relations between our two states. Thank you.

[Chernomyrdin] Dear Eduard Ambrosyevich, dear journalists, dear Georgian friends, colleagues, I would like to greet you whole-heartedly and not only on my behalf, but also on behalf of my colleagues. There is an impressive delegation present here today. I think that Eduard Ambrosyevich said much about the scope of the issues we discussed. This is quite a broad and fundamental scope. The documents proper that have just been signed and named here, speak of themselves. I can openly say that the conversation was quite candid. We have much to talk about. I will say it openly again that our relations have not developed over the past few years. But I think that our present visit and the signing of the present documents will give an appropriate incentive to our relations. First of all, I mean the sphere of economics. This is the sphere over which we are concerned most of all, and not only we, but our peoples, Russians, and the population of Georgia. It is necessary for us now. We have to advance in this sphere most of all, as well is in all other spheres. In fact, I have nothing to add to what Eduard Ambrosyevich has said. Russia's position is well known in Georgia. I can reiterate that before I left for Georgia, Boris Nikolayevich Yeltsin asked me to say it here once again. Making the most of the event, I am conveying best regards from the Russian president to you and to the whole population of Georgia. I can say again and again: We Russians and you residents of Georgia have been together and it is easier to us to pass through, endure, and resolve together the present problems that are not simple for our states. This is what we have planned. [broadcast terminated—line with Georgian radio disconnected]

Chernomyrdin Signs Six Documents

LD1509133995 Moscow ITAR-TASS World Service in Russian 1240 GMT 15 Sep 95

[By ITAR-TASS special correspondent Gennadiy Yezhov]

[FBIS Translated Text] Tbilisi, 15 Sep — A package consisting of six documents was signed today during the official visit to Tbilisi by Russia's head of government. Viktor Chernomyrdin and Georgian Leader Eduard Shevardnadze signed a treaty on mutual legal aid for civil, criminal, and family cases; a treaty on the legal status of citizens of Russia who are permanently resident in Georgia and citizens of the Republic of Georgia who are permanently resident in the Russian Federation; a treaty on Russian military bases in Georgia; an agreement on cooperation and mutual assistance in the sphere of foreign currency and export controls; a protocol on the outcome of talks between the delegations of Russia and Georgia; and a statement on the development and deepening of all-round cooperation.

In addition, the two countries' ministers of railways signed an intergovernmental agreement on coordinating the activity of rail transport. The latter agreement, in particular, envisages setting up unified tariffs on rail transportation, going over to a common equipment facility, and training Georgian railway transport specialists in Russia. All the documents signed today are called upon to expand the contractual and legal base of the full-scale treaty on friendship, good-neigborliness, and cooperation signed by the two states on 9 February 1994.

The talks were preceded by a tete-a-tete meeting between Viktor Chernomyrdin and Eduard Shevardnadze lasting more than four hours. A news conference will be given on the outcome of signing the documents.

Shevardnadze, Chernomyrdin Present Views

LD1609174295 Tbilisi First Program Television Network in Georgian 1500 GMT 16 Sep 95

[FBIS Translated Text] Relations between two states, especially relations between close neighbors and, possibly, equal partners, can acquire historic significance. High-level visits always start with forecasts and end with assessments. Both Georgia and Russia were expecting a lot from the official visit by Russian Prime Minister Viktor Chernomyrdin. We have decided to present to you the views of the two key figures in this most important event:

[Begin recording] [Unidentified correspondent in Russian] Can Russia and Georgia really be equal partners?

[Chernomyrdin in Russian] They have always been partners, they have always been equal and will always be equal. [end recording]

Yesterday the prime minister of the Russian Federation left for Moscow:

[Begin Shevardnadze recording, speaking at Tbilisi airport] It was one of the most important events of the past few years, primarily, due to the fact that a realistic opportunity has arisen to develop economic links and (?solve) the most acute problems which are a matter of concern for every citizen.

Restoration of the railway will be accompanied by the return of refugees. Restoration of the railway and the fact that troops will be deployed and a military force, an additional military force, will appear there are a new factor which will ensure a safe return.

As for so-called early oil [from the Caspian Sea], there are no problems. The consortium will choose the cheaper route. [end recording]

Chernomyrdin Departs For Kazakhstan

LD1609055495 Moscow ITAR-TASS in English 0529 GMT 16 Sep 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] Tbilisi, September 16 (ITAR-TASS) — Russian premier Viktor Chernomyrdin ended his one-day official visit to Georgia on Friday by signing a package of seven documents on bilateral cooperation, ITAR-TASS learnt from a source in the Russian delegation here on Friday.

They will expand the contractual and legal basis of the large- scale Treaty of Friendship, Good-Neighbourly Relations and Cooperation between the two independent nations, concluded on February 9, 1994.

The treaty on Russian military bases in Georgia, signed by the Russian premier and Georgiand leader Eduard Shevardnadze, provides for deployment conditions of four Russian military bases in Georgia, including two in Abkhazia.

Besides, the treaty specifies quotas, under which Russia will have tanks, armoured infantry carriers, heavy artillery and other types of arms in the Georgian territory. The treaty interprets the notion of a military base in the broad sense of these words, that is individual military facilities with attached military infrastructure.

The sides recorded a desire to counter any forms of separatism in Russia and Georgia in a joint statement on the development of all-round cooperation.

Speaking at the final news conference, Chernomyrdin and Shevardnadze voiced support for a dialogue with present Abkhazian leader Vladislav Ardzinba to settle the situation in Abkhazia.

Chernomyrdin departed for Kazakhstan late on Friday evening. The Russian premier will return to Moscow on Sunday.

The Russian cabinet head will make two working trips next week: one-day visit to Smolensk on September 19 to hold talks with Belorusian President Alyaksandr Lukashenka and a two-day trip to the Komi Republic on September 20-21.

Discussion of the oil and gas complex will be the main aim of the visit to the Komi capital Syktyvkar. The premier is expected to visit a large oil and gas deposit in the republic.

Abkhazia Warns of Russian-Georgian Military Operation

LD1709165395 Moscow INTERFAX in English 1532 GMT 17 Sep 95

[FBIS Transcribed Text] Sukhumi, Sept 17 (INTERFAX) — The Abkhaz security Service said Sunday it had information on a joint Russian-Georgian operation aimed "to restore Georgia's territorial integrity."

The service said in its statement that a Russian official delegation had committed itself to take action together with Georgia last Friday [15 September].

Russia gave Georgia warships for a landing operation, the service said. The warships may hoist Russian flags and take a Georgian landing party to the Russian naval base in Ochamchira, it added.

The service said military operations will be unleashed in the Gali district of Abkhazia simultaneously with the landing operation. Both Georgian units, many of which have already penetrated in Abkhazia, and some Georgian-manned units of the Russian peacekeeping forces will be taking part, it underlined.

"With the start of the operation, the Georgian authorities will impose state of emergency and suspend Abkhazia's lawful power bodies," the statement continued.

The service did not exclude the possibility that "an additional Russian contingent will advance across the river Psou to help carry out the joint operation."

A high-ranking Russian officer told INTERFAX in Gudauta that all locally stationed Russian units had been put on alert by an order from Moscow last Friday.

A source in the Abkhaz presidential staff told INTERFAX that the Security Council of Abkhazia will meet in an emergency session at 14:00 Monday.

Estonia

President Says NATO 'Firm Safeguard' of Security

LD1409121495 Moscow INTERFAX in English 1048 GMT 14 Sep 95

[FBIS Transcribed Text] Tallinn, Sept 14 (INTERFAX) — "NATO is a firm safeguard of Estonia's security," President Lennart Meri has said in an interview in Tallinn.

He said Sweden's neutrality was not a suitable option for his country.

President Meri deplored statements "by some Russian politicians" aimed against the idea of Estonia's membership in NATO. He said that such a policy might produce an impression that Russia was a modernized Soviet Union.

President Meri said that such statements were partially due to the election campaign and that politicians were in some cases indiscriminate in choosing means and populist statements. "I am very sorry that Russian leaders use populism for achieving their aims", Lennart Meri said.

"We have let our neighbors know that we would like to shift from the Partnership for Peace program to full-fledged membership of NATO and that everything bad said about NATO concerns us, too," President Meri said.

Meri Explains Desire For NATO Membership

LD1609111995 Tallinn Radio Tallinn Network in Estonian 1000 GMT 16 Sep 95

[FBIS Translated Excerpt] For Estonia, this week began with President Lennart Meri's visit to Sweden. This was another visit to Sweden by an Estonian head of state after a break of 67 years. [passage omitted]

The issue which has permeated this present visit to Sweden is that of Estonia joining the European Union. [passage omitted]

The subject of NATO was on the agenda to a much lesser degree. The Swedish attitude to NATO is not uniform. [passage omitted]

But there was interest in why we would want to join NATO. Here is President Lennart Meri:

[Begin Meri recording] I told them that the Estonian priority in regard to security policy would be of course to take the next step from the Partnership for Peace and become a full NATO member; also, that we would not tolerate any deviation from the 1949 NATO treaty, under which it is a defense organization which unites those countries and nations that have opted for a democratic path. Democracy is terribly important in the sense that world history knows of no case of two democratic countries engaging in a war against each other. No, it is characteristic of democracy that problems always exist, but they are resolved peacefully, at a roundtable. This is why Estonia aspires toward NATO. [end recording] [passage omitted]

Russian Entry to Council of Europe Opposed

LD1509211295 Moscow INTERFAX in English 1907 GMT 15 Sep 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Tallinn, Sept 15 (INTERFAX) — The Estonian and Czech parliamentary foreign relations commissions do not endorse the idea of Russia joining the Council of Europe any time soon, Enno Tamm, chairman of the Estonian commission, told journalists Friday.

He said that at their talks the MPs of the two countries had agreed that offering Russia easier terms of entry would spell a radical change of the Council of Europe's function.

Minister Attends European Security Conference

WS1809110795 Tallinn BNS in English 1655 GMT 15 Sep 95

[FBIS Transcribed Text] Tallinn, Sep 15, BNS — Estonian Defense Minister Andrus Oovel is in Innsbruck, Austria, for a conference on European security. The aim of the meeting is to coordinate positions for the forthcoming intergovernmental conference of the European Union.

Participants in the Innsbruck conference include defense ministers of many European countries, representatives from international organizations and experts from prominent research centers, the defense ministry press service told BNS.

Oovel will deliver at the conference a speech under the heading "Is Estonia Too Small for Europe? — Estonia's Role in the Context of European Security and Defense Policy."

The topics to be discussed at the meeting include the functions of the European Union and a common European defense policy. Participants are also going to analyze to what extent the Maastricht agreement corresponds to the developments in Europe and discuss ways to develop the agreement, the defense ministry press service said.

Oovel's speech at the conference also deals with Estonia's views on cooperation with the European Union and NATO, as well as on the measures to be taken to bring Estonia gradually closer to those organizations.

The defense minister returns from Innsbruck on Monday.

Danish Foreign Minister Arrives on Official Visit

LD1809112095 Moscow ITAR-TASS in English 1105 GMT 18 Sep 95

[By Albert Maloveryan]

[FBIS Transcribed Text] Tallinn, September 18 (ITAR-TASS) — Niels Helveg Petersen, Danish Foreign Minister, arrived in Estonia for a two-day official visit on Monday. The Foreign Minister will have talks with his Estonian counterpart Riivo Sinijarv and with Estonian Defence Minister Andrus Oovel.

The Danish Foreign Minister will be received by Estonian Prime Minister Tiit Vahi and by President Lennart Meri. Details of the Estonian Prime Minister's planned visit to Denmark are to be discussed. He is to visit Denmark in mid-October.

Niels Helveg Petersen will speak on Monday at an international seminar devoted to business in Denmark. The seminar opens today. He will also visit university city Tartu.

Upon concluding the visit on September 19, the head of Danish Foreign Ministry will give a news conference and will leave for St. Petersburg.

Vahi: Law, Order To Have Priority Over Defense

LD1709214795 Tallinn Estonian Television Network in Estonian 1800 GMT 17 Sep 95

[FBIS Translated Text] The government coalition is giving the finishing touches to the next year's state budget in Lohusalu. The sums of money are not being changed, and the members of the Riigikogu and the ministers are designing tactics to ensure that the Riigikogu will pass the budget unchanged.

The main emphasis in the 10 billion kroon budget is on education, local government, and law and order.

[Unidentified correspondent] The government coalition wants to be united when the budget is discussed in the Riigikogu. Prime Minister Tiit Vahi is already convinced that the opposition can introduce changes only within one percent of the budget. Next year, the emphasis will be on education, local government, and law and order.

[Begin Vahi recording] First of all, education and culture. Education alone will get 1.8 billion from the 10 billion budget. Then, a priority is to decentralize the state power: If currently the local governments receive 52 percent of personal income tax, then in the 1996 budget this will be 66 percent, in addition they will receive 100 percent of the land tax.

Law and order is definitely a priority and it is financed through two ministries — the Ministry of Justice and the Ministry of Internal Affairs. [end recording]

[Correspondent] Vahi promised that there will be no tax hikes and teachers will receive a pay increase double of that of the other civil servants. Internal Affairs Minister Edgar Savisaar, who hopes that the parliament will give priority to his ministry, can also be satisfied.

[Begin Savisaar recording] The work of the border guards and the work on citizenship and immigration issues are the number one priority. If we have to choose between law and order inside the country and defense, I believe the government and the Riigikogu will give priority to law and order inside the country. [end recording]

Lithuania

Polish Prime Minister Begins 2-Day Visit

LD1509221795 Moscow INTERFAX in English 2124 GMT 15 Sep 95

[FBIS Transcribed Text] Vilnius, Sept 15 (INTERFAX) — The two-day official visit of Polish Prime Minister Josef Oleksy to Lithuania began this afternoon.

Lithuanian Prime Minister Adolfas Slezevicius said that the first official visit by the prime minister from neighboring Poland during the five years of Lithuania's independence was an important event in relations between the two countries.

Slezevicius said the Polish prime minister's visit was expected to "open up new prospects for the development of economic cooperation between the two countries and contribute to the signing of treaties on state borders and free trade."

Lithuania and Poland will sign a treaty on cooperation between border guards in Vilnius Saturday.

Slezevicius said the two countries' prime ministers would also focus on Lithuania's "inclusion into cooperation between the states of the Visegrad group." He said: "Poland initiates and supports the idea of Lithuania's participation in the treaty on free trade between the countries of Central Europe." He said Lithuania might be the first of the Baltic countries to join this treaty.

Lithuania and Poland are likely to continue discussing cooperation on air space control and the creation of a joint Lithuanian-Polish peacekeeping battalion.

The Polish prime minister's visit to Lithuania began in Kalvarija, a small town on the border, where the two prime ministers visited the crossing point for vehicles on the Lithuanian-Polish border which started functioning at full capacity today.

The two prime ministers will hold a joint press conference on the results of their talks in Vilnius Saturday afternoon.

Slezevicius, Oleksy Sign Cooperation Pact

LD1609164695 Moscow INTERFAX in English 1547 GMT 16 Sep 95

[FBIS Transcribed Text] Vilnius, Sept 16 (INTERFAX) — Lithuania and Poland concluded a treaty on cooperation between the two countries' border guards in Vilnius today.

The treaty was signed by Polish Prime Minister Jozef Oleksy and Lithuanian Prime Minister Adolfas Slezevicius. Oleksy is now on an official visit to Lithuania.

Oleksy told a press conference that during their talks Lithuania and Poland had concentrated on regional cooperation and their role in it. He said Poland supported Lithuania's plan to join the Central Europe Free Trade Agreement (CEFTA).

The two prime ministers told the same press conference that they had also discussed in detail the problems regarding security and NATO's enlargement.

Oleksy said Poland favored NATO's enlargement, including the admission of the Baltic countries. He said NATO's enlargement was not aimed against any country. However, he said he deemed it necessary to take into account the interests of Moscow and support the development of democratic reforms in Russia.

With regards to Russian President Boris Yeltsin's criticizing NATO's expansion eastward, Oleksy said "such sharp statements will not make Poland change its mind and refuse from the intention to become a member of NATO."

Slezevicius said Lithuania fully agreed with Poland. He said Lithuania would continue to seek NATO membership. He said he believed that democratic countries "has the right to choose their foreign policy independently and nobody, even big countries, has the right to make decisions for them."

The Lithuanian and Polish prime ministers said they were in favor of demilitarizing Russia's Kaliningrad region. They said they believed that the Kaliningrad region should develop as a free economic zone. Oleksy stressed that, however, only Russia could decide on the future of its region. Nevertheless, he said he favored discussion of the problem.

Slezevicius reiterated the idea of holding a trilateral meeting with the participation of Russia in order to discuss the problem. He said such a meeting might take place before the end of 1995.

Oleksy said that Lithuania and Poland had decided to accelerate the drafting of a treaty on free bilateral trade.

In an answer to INTERFAX's question, Oleksy said Lithuania and Poland had also agreed to speed up the preparations for carrying out joint control over air space and creating a joint Lithuanian-Polish peacekeeping battalion.

Brazauskas Arrives in Bucharest, Meets Iliescu

LD1809104395 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 18 Sep 95

[FBIS Translated Text] Lithuanian President Algirdas Brazauskas arrived in Romania today on an official two-day visit, DPA-ELTA reports. Immediately after his arrival, Brazauskas met Romanian President Ion Iliescu. During the visit the two countries are to sign a bilateral agreement on cooperation in the areas of culture and health care, and an agreement between the Ministries of Internal Affairs.

Baltic Demarcation Dispute With Latvia Discussed

WS1809110895 Tallinn BNS in English 1842 GMT 15 Sep 95

[FBIS Transcribed Text] Vilnius, Sep 15, BNS — The Lithuanian and Latvian ministers of foreign affairs have agreed on how to divide disputed territory in the Baltic Sea, the Lithuanian foreign ministry reported Friday.

Delegations headed by ministers Povilas Gylys and Valdas Birkavs agreed in Riga Thursday on the basic political and juridical principles which will guide the resolution of disputes over the continental shelf and economic zones in the Baltic.

No one at the foreign ministry Friday was available for immediate comment to BNS on exactly what the "guiding principles" of a treaty dividing the sea territory would be.

Lithuanian and Latvian disagreements over economic zones in the Baltic Sea have been going on now for several years and evoked sharp notes of protest from the Lithuanians. One of the major reasons for the conflict is oil deposits on the continental shelf which both countries have claims on.

Conservatives Urge Slezevicius Cabinet To Resign

LD1509191195 Moscow ITAR-TASS in English 1724 GMT 15 Sep 95

[By Vladas Burbulis]

[FBIS Transcribed Text] Vilnius, September 14 (ITAR-TASS) — Lithuania's leading opposition party has demanded an immediate resignation of the government formed by the Democratic-Labour Party of Lithuania [DLPL] headed by Adolfas Slezevicius.

The Conservative Party's statement signed by Vytautas Landsbergis and Gediminas Vagnorius says: "The resignation of the DLPL government would give the people a glimpse of hope before the elections to the Sejm."

The leaders of the right-wing opposition party said: "Lithuania is sinking in a deep spiritual and social crisis. The selfish policy of the DLPL, which is a drag on the economy, has brought people to the verge of poverty and enterprises to collapse. Corruption is reigning with impunity, the government is coalescing with the criminal world as it despises 'the man in the street.' We are becoming a dying and suicidal nation."

"The government changes ministers but even after three years at power it does not have a specific plan for its activity and ignores substantive proposals and criticism coming from other parties. The present government was elected to serve Lithuania as a whole but not a group of comrades, to combat crime and not to cover up for it," the right-wing leaders said.

The statement closes with the following piece of advise: "In a democratic society, the government which has compromised itself and continues to deepen a crisis, would resign at once. This is what the Union of the Fatherland (conservatives of the Lithuania) demand."

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